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ABSTRACT

The Sectoral Employment Development Learning Project conducted a longitudinal survey of participants of industry-based workforce development programs about two years after completing training. Outcomes for unemployed and underemployed workers--77 percent of the sample--indicated increased hours worked and increased earnings per hour produced steady and striking improvements in annual earnings; participants reported working more hours; and an overwhelming majority of employed participants were satisfied with jobs held and reported significant improvements in the availability of benefits through employment. Outcomes for welfare recipients were increased hours worked and increased earnings per hour; decreased proportion on welfare; decreased dollar amount of benefits; and dramatically improved job quality. Employment status showed the percentage who reported working for some portion of the year remained high; participants continued to increase number of hours worked during the week and number of weeks worked during the year; year-round work was more prevalent; job satisfaction remained high; employee benefits packages remained much improved; participants reported high levels of job satisfaction; and a significant majority felt their future jobs, employment, or career prospects were better because of their experiences with sector training programs. A technical note compares respondent characteristics over the survey period. (Contains 21 tables and 18 figures.) (YLB)

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The Sectoral Employment Development Learning Project

Gaining Ground: The Labor Market Progress of Participants of Sectoral Employment Development Programs

SEDLP Research Report No. 3

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The Sectoral Employment
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Gaining Ground: The Labor Market Progress of Participants of Sectoral Employment Development Programs

SEDLP Research Report No. 3

The Aspen Institute
Economic Opportunities Program
February 2002

By Lily Zandniapour and Maureen Conway

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INTRODUCTION

Welfare reform and a strong economy facilitated the labor market participation of many low-income people who previously had either not looked for work or had difficulty finding work. For programs designed to assist low-income people in entering the job market, it was fairly easy to place individuals into jobs, but concerns grew about whether these individuals would maintain employment and whether these jobs would lead to advancement opportunities within the labor market. At the same time, many employers, confronted with shortages of adequately skilled workers, were struggling to develop and maintain the workforce needed to compete effectively in today's economy.

Industry-based or sectoral workforce development programs can help to bridge this gap. These programs, designed with the interests of low-income individuals in mind, are intended to advance opportunities for disadvantaged workers in today's labor market. However, industry-based workforce development programs are strongly attached to the industry or cluster of occupations with which they work. Due to their intimate links with the target industry, sector programs develop with an appreciation of the employer's reality and an understanding of how to provide value to the employer. The goal of sectoral programs is to provide value to employers, and to strengthen the target sector while creating pathways to employment and advancement for low-income individuals. Ultimately, a sectoral program's activities should result in sustained changes in the way the industry's labor market functions, such that even low-income individuals who do not participate directly in the program will see improved economic opportunities in the industry.

The Sectoral Employment Development Learning Project (SEDLP)

Launched in April of 1997, and generously supported by the Ford, Charles Stewart Mott, and Annie E. Casey foundations, the Sectoral Employment Learning Project (SEDLP) was created to document and evaluate selected sectoral programs in quantitative and qualitative terms. Recognizing that current knowledge about sectoral strategies and their implementation resides largely with the staff who lead such programs, SEDLP has been designed as a participatory learning project in collaboration with the staff of the selected sectoral employment development programs. Elements of SEDLP include in-depth case studies, annual reporting on a set of key measures to describe the operations and performance of participating programs, and a longitudinal survey of participants in the sectoral programs. This report describes the findings from the longitudinal survey.

A Note About the Survey Methodology

The participant study component of the Sectoral Employment Development Learning Project (SEDLP) is a three-year longitudinal survey that was designed to document the experiences of sectoral program participants with respect to training, employment, retention and advancement. The study uses a reflexive control design to measure employment and earnings outcomes of trained program participants against their situations prior to training. The difference in their status is used as an estimate of program effects. The study collects information on participants at four different points in time:

Participating Programs

Asian Neighborhood Design[1] (*San Francisco, Calif.*) is a community development corporation that provides training in cabinetry, carpentry and other construction trades. Founded in 1973, it runs a specialty furniture and wood products manufacturing company, Specialty Mills Products, that provides a work-oriented training environment and transitional employment opportunities for its trainees. AND trainees are disadvantaged and hard-to-employ individuals who live in the Bay area. The average length of training is 15 weeks.

Garment Industry Development Corporation (*New York, N.Y.*) is a nonprofit institution, established in 1984 and supported collaboratively by union, industry and government entities. GIDC provides training for employed and unemployed individuals in a range of occupations in the garment industry, and provides technical assistance and marketing services to garment industry firms. Trainees are primarily Chinese and Hispanic women. The institution offers a variety of full-time and part-time training programs that range from 10 days to 12 weeks.

Focus:HOPE (*Detroit, Mich.*) is a civil- and human-rights organization founded in 1968 in the aftermath of the 1967 Detroit riots. Focus:HOPE offers precision machining and metalworking training to inner-city youth and young adults. The organization also operates businesses that provide hands-on learning for students, while producing parts and services for the automobile and related industries. Core training at Focus:HOPE is 26 weeks.

Jane Addams Resource Corporation (*Chicago, Ill.*) is a community development organization formed in 1984 to retain and grow local industry, provide community residents with educational services and offer job training in the metalworking industry for both incumbent and unemployed workers. JARC provides assistance to small- and medium-size metalworking manufacturing businesses in modernization and human resource management. Training is six to eight weeks.

Paraprofessional Healthcare Institute (*Bronx, N.Y.*) is a sectoral employment advocacy organization that supports the training of low-income women of color in paraprofessional healthcare skills and links them with Cooperative Home Care Associates (CHCA), an employee-owned agency founded in 1985 and designed to provide full-time employment, with benefits, for home health aides. PHI training is four to five weeks.

Project QUEST (*San Antonio, Texas*) is a nonprofit organization, established in 1992. Developed through a community organizing effort, the program engages employers, community colleges and others in coalitions to develop training projects that prepare low-income individuals for good jobs in a range of selected industries, including health care and business services. Project QUEST training requires between one and four semesters to complete.

[1] Due to recent financial difficulties, AND has sold its Specialty Mills Products business. The organization continues to operate a training program in the cabinetry and construction trades sector.

- Baseline (roughly at the start of training)[2]
- Ninety days after the end of training[3]
- One year after training completion
- Two years after training completion

The baseline, one-year, and two-year surveys involve in-depth telephone interviews with participants, while the 90-day post-training documentation is a participant status update provided through each participant's training program. Thus, employment and earnings outcomes of respondents are measured at three points after program intervention.

This study does not have an experimental design or a comparison group. Therefore, it is not possible to directly attribute changes in participants' economic situation to their participation in the training program. However, substantial and consistent before-after differences among participants, especially across programs that employ similar interventions in different locations, provide evidence that some true program effect is occurring. Moreover, repeated measurement of outcomes over time makes the findings insightful and indicative of at least "gross effects" of program intervention.[4]

An *exhaustive sample selection approach* was used to ensure that the cohort of participants selected for the study was representative of program participants.[5] All program enrollees were selected on a sequential basis during the initial data collection period. The time frame for collecting baseline and follow-up data was based on the overall project timeline. The only exception in implementing the sampling design was the case of Project QUEST where participants are enrolled in a relatively lengthy curriculum, necessitating a longer follow-up period than that of the study. Based on reported information from program staff, therefore, only those enrollees who were scheduled to graduate within a time period that would allow for follow-up contact within the project timeline were selected.

At baseline, 732 participants were interviewed. Out of these respondents, 543 (74%) completed the survey administered a year later and 371 (51%) completed the survey administered two years after training completion.

The SEDLP's three-year longitudinal survey covers the period from 1998 to 2000, a period of general economic growth and low inflation. All figures reported in this report are expressed in nominal dollars and not in constant dollars or real terms. Over the course of the survey, on average, prices increased by 5.6 percent. The dramatic earnings

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[2] Baseline interviews were conducted within two months after the start of training for the majority of program participants. In cases where training was long, interviews were conducted in the middle or towards the end of the training.

[3] Program staff was asked to fill out a one-page form on each participant within 90 days after the end of training. The tool was designed to provide updated information on the status of program trainees and their employment situation at that point in time.

[4] For more thorough discussion of the methodology used in this study, refer to the *SEDLP Research Report No. 1: Methodology and Findings from the Baseline Survey of Participants*. This report is available through the Aspen Institute's Economic Opportunities Program (EOP) or can be downloaded in pdf form from the EOP website at http://www.aspeninst.org/eop/eop_sedlp.asp.

[5] The Institute for Social and Economic Development (ISED), based in Iowa, provided technical assistance in designing the sampling methodology for this survey.

and wage growths experienced by survey participants and documented in the present report far exceeded the inflation rate; hence, adjustment to constant dollars would not have affected the main findings of this study.

Overview of the Report

This report covers the major findings from a longitudinal survey of participants of industry-based workforce development programs, approximately two years after participants completed training. Findings from the baseline survey and the survey conducted one year after training are detailed in other publications, but are referenced in this report as needed to provide context for understanding the two-year follow-up findings.

The report begins with an executive summary that emphasizes the key findings from the survey, and continues with sections organized along major categories of findings. The section on personal earnings and income looks at changes in participants' wage rates and overall levels of earned income during the survey period, with some discussion of poverty status as well. In the section on employment and experience in the job market, the report discusses how fully individuals are employed, the employment patterns seen in the data, and whether individuals work in the industry for which they were trained. The section following examines individuals' job satisfaction and job quality, paying particular attention to respondents' access to employment benefits. Participants' training experience is the focus of the next section, including their comments on how they feel the training affected their employment outcomes. The report ends with concluding remarks followed by a technical note describing the details of respondent characteristics at the three points of contact during the longitudinal survey.

In addition, there are two highlighted sections in this report. One describes the outcomes for underemployed and unemployed workers. Two of the six participating programs provide training to incumbent workers — workers who are already employed — who are somewhat distinct from underemployed or unemployed participants, and are looking to move into a new industry. Thus, we have summarized some of the key findings for this group separately. The second highlighted section describes outcomes for the welfare sub sample which comprised a full quarter of the total sample. Given the policy interest in this particular segment of the low-income labor pool, we have summarized findings for this subgroup of respondents as well.

EXECUTIVE SUMMARY

While many low-income individuals had little difficulty getting jobs in the late 1990s, keeping jobs and advancing up the career ladder often proved more difficult. Furthermore, the jobs available to low-income job seekers frequently did not offer wages and benefits sufficient to support workers and their families, nor did they lead to employment opportunities that would. Sectoral, or industry-based, workforce development programs are designed to remedy this situation by working with low-income individuals and employers, as well as other labor market actors, to create win-win employment situations in which low-income individuals maintain employment, and ultimately advance, while employers develop the workforce needed in order to be successful in today's fiercely competitive business world.

This report describes the results of a survey of low-income individuals, conducted two years after they completed training in an industry-based employment development program. The purpose of the two-year follow-up survey was to assess whether participants were able to maintain or improve upon the initial increase in earnings and job quality that was seen in the first year after training. Survey findings reveal that, in general, participants have further improved their positions in the labor market, experiencing additional gains in earnings per hour, hours worked and earned income, in addition to maintaining strong benefits packages. Overall, 82 percent of participants felt that their jobs or career prospects were better as a result of participating in the sectoral programs. The following summarizes the results we have seen for survey participants as a whole. In addition, there are two special sections in this report that highlight findings for specific sub samples of the survey population — welfare recipients and non-incumbent workers.

Background on Survey Participants

The two-year follow-up survey of participants, conducted as part of The Aspen Institute's Sectoral Employment Development Learning Project (SEDLP), is the third and final survey conducted with this group of participants. The longitudinal survey began shortly before or during participants' training experience, and continued with a second survey one year after the completion of training. Findings from previous surveys are highlighted below to provide context.

Review of Baseline Findings*

Findings from the baseline survey revealed that sectoral programs primarily serve adults, the vast majority of whom were clearly economically disadvantaged. In the year prior to training, average and median annual earnings of all respondents were $8,941 and $4,742, respectively. Excluding individuals with zero annual earnings (26% of respondents), these figures were $12,295 and $8,580. Most survey participants were of prime working age, with the average age of survey respondents being 34. Nearly all respondents (96%) have had some previous work experience and 72 percent had earned

* For a full description of the findings from the baseline survey, please see *SEDLP Research Report No. 1: Methodology and Findings from the Baseline Survey of Participants.*

a high school diploma or GED prior to training. On average, participants reported 12.3 years in the labor market, although participant work histories tended to be interrupted and marked by long periods of unemployment. Sixty-five percent of respondents were women, 92 percent were members of minority racial or ethnic groups, and 38 percent were immigrants.

Overview of Outcomes One Year after Training[7]

Participant outcomes one year after training revealed that trainees had substantially improved their labor market situations, reporting higher annual earnings and earnings per hour, increased hours of work, higher employment rates, improved employment benefits packages and greater job satisfaction. Overall, participants reported an average increase of $7,203 in their annual earnings, and among those who were employed at some point during both the year before and the year after training, median earnings increased by 64 percent to $14,040.[8] At participants' main jobs, those that provide the greatest source of earnings, hourly wages were up by $1.72, or 20 percent over the baseline year. The SEDLP sample included both **incumbent workers**, workers who were already employed within the target industry sector and were looking to advance, and **non-incumbent workers**, generally unemployed or underemployed individuals looking to begin new career paths. Non-incumbent worker trainees worked an average of 805 more hours during the year after training, while incumbent workers' hours declined slightly, although their average annual earnings rose. In the year after training, 94 percent of respondents reported working at some point during the year, and 55 percent reported working year round — an increase of 32 percentage points from the year prior to training.

While 50 percent of respondents reported that their main jobs provided access to health insurance in the baseline year, 78 percent reported having that job benefit during the year following training. Similarly, 73 percent of main jobs provided paid vacation, up from 44 percent before training. Among employed respondents, 89 percent said that they were either satisfied or very satisfied with their main jobs, and 87 percent reported holding at least one job in the sector for which they received training.

Participant Outcomes Two Years after Training

Two years after training, participants reported continued progress in the labor market. Overall, the findings are very encouraging, with many individuals working more hours, earning more per hour, and maintaining good benefits, leading generally to much improved economic situations. Many participants credit the training programs with instilling the confidence or ambition needed to continue to seek educational opportunities that will help them advance in the labor market, and the overwhelming majority believes that their career prospects are now brighter because of their participation in

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[7] For a full description of participant outcomes one year after training, see Zandniapour, Lily and Maureen Conway, *Closing the Gap: How Sectoral Workforce Development Programs Benefit the Working Poor*, SEDLP Research Report No. 2. Washington, DC: The Aspen Institute, 2001.

[8] All figures in this report are presented in nominal dollars. However, since the period over which the survey was conducted was marked by low inflation with prices increasing by only 5.6 percent during the entire survey period, the magnitude of the findings are not greatly affected.

the training programs. For a significant minority of participants, however, layoffs, personal or family illnesses, and other issues have led to a continuing struggle to maintain ground and advance in the labor market.

Earned Income — Earnings per Hour and Hours Worked

Participants' annual earnings, earnings per hour and number of hours worked all continued to increase in the second year following training. Among participants who worked*, median earnings rose from $4,144 at baseline to $13,650 one year after training and $16,894 two years after training. Thus, in the second year after training, participants reported median earnings that were 24 percent higher than in the previous year, and 308 percent higher than baseline earnings. Average earnings rose similarly, going from $9,036 at baseline to $16,456 one year after training and $19,809 two years after training. The increases in earnings are reflected in improvements in both hourly earnings and the number of hours worked. Average hourly earnings were $8.63 in the year before training and rose to $10.35 during the year after training and $11.32 during the second year following training, representing a 31 percent increase over the course of the survey. Among non-incumbent trainees, annual hours worked rose to 1,653, an increase of 161 hours from the previous year. Two years after training, 39 percent of survey respondents had moved out of poverty based on their personal earnings alone.

While the income gains and hourly wage increases varied across programs, the average outcomes for participants corresponded well to the expected outcomes of their program's particular sectoral strategy. The 31 percent overall increase in the average hourly wage of respondents over a two-year period is quite striking compared to the wage growth that workers have experienced on a national scale. A recent Economic Policy Institute (EPI) study reports that from 1995 to 1999, a period of low unemployment and strong productivity growth for the economy as a whole, the median hourly wage for all workers, adjusted for inflation, grew 7.3 percent.[10] Wages for workers who were at or below the 30th percentile in the hourly wage distribution, a group roughly comparable to working respondents in the SEDLP sample, grew 7.9 percent during this period.[11]

Work Patterns — Employment, Unemployment and Job Tenure

During the second year after training, the proportion of participants who were employed remained high. Furthermore, participants tended to stay in their jobs for longer periods of time, indicating increased employment stability for many. The percentage of participants who were employed at some point during the year remained about the same — 94 percent — but among those employed respondents, the percentage working year round rose to 70 percent, up from 59 percent in the previous year and 32

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*Numbers reported here are for participants (296 respondents) who provided data in all three surveys — baseline, one-year follow-up and two-year follow-up. As such, they differ slightly from numbers that are reported for the full sample for each of the surveys.

[10] Mishel, Lawrence, Jared Bernstein, and John Schmitt, *The State of Working America 2000-01*. (Ithaca, NY: Cornell University Press, 2001) 5.

[11] Mishel, et al., *State*, 124. The cutoff hourly wage for workers in the 30th percentile of wage earners was $8.72 in 1999.

percent during the year prior to the start of training. Similarly, the median number of weeks participants worked at their main jobs rose from 20 weeks in the baseline year to 40 weeks in the first year following training and 49 weeks in the second year.

The percentage of employed participants who reported job "hopping" or moving from one job to another fell from 30 percent in the first year after training to 24 percent. In general, participants continued to use job hopping to advance. During the second year after training, participants who changed jobs reported that the hourly wage rate of their most recent jobs was, on average, $2.37 higher than that of the first jobs held during the year. This finding is similar to the previous year, but quite different from the baseline year, when participants reported an average wage differential of only $0.90. A relatively small percentage of employed respondents (13%) engaged in job "patching," holding more than one job at the same time, during the second year after training. This second year proportion is slightly higher than the previous year's (10%) but lower than that of the baseline year (17%).

Among those who experienced unemployment (34% of respondents), the average spell of unemployment declined slightly, but nonetheless, remained quite substantial at 22.3 weeks, revealing that a solid minority of participants still struggled to fully participate in the labor market. The most common reasons offered by participants were personal or family health problems or a difficult job market — the latter most commonly by workers in the garment industry. Other explanations included returning to school for further study, insufficient skills or education, discrimination, choosing to stay home to care for family members and lack of child care.

The majority of employed participants (73%) reported holding a job in the sector for which they received training. Although fairly high, the number is down from the previous year when 87 percent of employed respondents reported holding a job in the sector for which they received training. While respondents did not always take jobs directly related to their training, 82 percent said that they believe their future job prospects are better today because of their participation in the sectoral program.

Employment Benefits and Job Satisfaction

Participants continued to report high rates of employer-provided health insurance and other employment benefits in the second year following training. Specifically, 78 percent of the main jobs that participants held during the first and second years after training provided access to health insurance, as compared to 50 percent prior to training. Interestingly, the proportion of participants receiving health insurance through their jobs rose from 53 percent in the first year following training to 65 percent in the second year — an increase that may have been facilitated by the improved employment stability described above. Substantial percentages of participants also reported receiving other employment benefits such as paid vacation (77%), paid sick leave (64%), and pension other than Social Security (59%). Eighty-two percent of respondents reported that they were satisfied with the quality of their main jobs during the second year after training.

Conclusion

The SEDLP findings support the conclusion that industry-based workforce development programs hold great potential to assist the working poor and unemployed in accessing and maintaining employment and moving up the economic ladder. These second-year findings show that, two years after training, the majority of participants in the sectoral programs studied were more fully employed than previously and that they continued to advance in the labor market. Participants generally attributed their improved employment outcomes to participation in the sectoral programs.

The findings also reveal that, as with any other strategy, industry-based workforce development is not a panacea. Two years after training, while many participants had employer-provided health insurance, and the percentage receiving Medicaid insurance was down sharply, roughly one-quarter of the sample was without health insurance — the same proportion as at baseline. While this level of success in accessing employer-provided benefits is a great improvement over that seen generally among low-income populations, it nonetheless, leaves a large proportion without health coverage. Furthermore, a significant percentage of those reporting spells of unemployment cited health issues as a principle reason. Given this situation, initiatives that effectively address health insurance and care issues could well complement the work of sector programs and have a positive impact on labor market participation among low-income individuals.

Although participants made great strides during the course of this study, the two-year time period was insufficient for achieving total success. By the end of two years, the majority of participants had personal earnings that lifted them and their families above the poverty line, giving many participants a good start on the way to self sufficiency. On the other hand, almost half of all participants did not achieve this level of success. For many, the road out of poverty will take more than a couple of years, and the need for public supports, such as Medicare, food stamps, earned income tax credits, housing subsidies, and others, will continue. However, it is clear that by helping individuals to develop or enhance skills that employers need, industry-based workforce development programs can play a valuable role in helping people move out of poverty and toward self-sufficiency.

OUTCOMES FOR UNEMPLOYED AND UNDEREMPLOYED WORKERS

The Sectoral Employment Development Learning Project sample includes two types of program participants: (1) non-incumbent workers — individuals who are unemployed or underemployed and are looking to the sector program to help them access a higher quality job than that which they have been able to find on their own; and (2) incumbent workers — individuals who are currently employed and are looking for assistance in order to advance within the industry sector in which they are working.[12] This section summarizes outcomes for unemployed and underemployed workers, who make up 77 percent of the SEDLP sample. The purpose of highlighting these findings here is to underscore the value sector programs can bring to individuals who are seeking to enter the labor market or to re-enter with improved earnings capacity.

Earnings

A combination of increased hours worked and increased earnings per hour produced steady and striking improvements in annual earnings for participants during the two years following training.

Overall, participants reported an average increase in annual earnings of $13,679 over the course of the survey. This figure includes the responses of those who had zero earnings either before or after training. Among respondents who were employed both before and after training (those with positive earnings), mean annual individual earnings increased from $7,895 during the baseline year to $15,315 in the year following training and $20,184 during the second year after training completion. Thus, annual earnings of employed respondents increased by 94 percent in the first year after training, and by 156 percent in the second year following training, compared to their earnings at the baseline year. Similarly, median annual individual earnings of participants were $5,785 during the baseline year, rising to $12,939 in the first year following training. By the second year following training, median annual earnings were $16,872 — 30 percent higher than the previous year and 192 percent higher than at baseline.

Forty-seven percent of survey participants moved out of poverty on the basis of earnings alone during the second year following training. Looking at respondents' main jobs, jobs that represented the respondents' primary source of earned income during the year, earnings per hour increased by $2.11 or 28 percent from $7.54 to $9.65 during the year after training and continued to increase to $11.06 or by $3.52 (47%) during the second year after training.

Employment

Compared to the baseline year, participants reported working an average of 966 more hours — equivalent to 55 percent of a full-time work year[13] — during the second year after training.

The increase in employment can be attributed to a substantial portion of the sample moving closer to achieving full-time, year-round employment. On average, employed individuals worked 30.1 weeks before training, 43.2 weeks during the first year after training and 47.1 weeks during the second year following training. When asked about the number of hours worked per week and the number of weeks worked per year at their main jobs, employed respondents reported working an average of 32.3 hours per week and 23.3 weeks per year at their main jobs during the year before training, 37.5 hours per week and 36.1 weeks per year during the year

[12] All six SEDLP programs provide services to unemployed and underemployed workers. Two programs, the Jane Addams Resource Corporation and the Garment Industry Development Corporation, provide services to incumbent workers.

[13] The U.S. Bureau of Labor Statistics defined a full-time work year as working at least 35 hours per week for 50 weeks per year or 1,750 hours.

after training, and 39.1 hours per week and 39.1 weeks per year during the second year following training. This trend shows that participants steadily improved their employment situations and moved closer towards full-time, full-year employment.

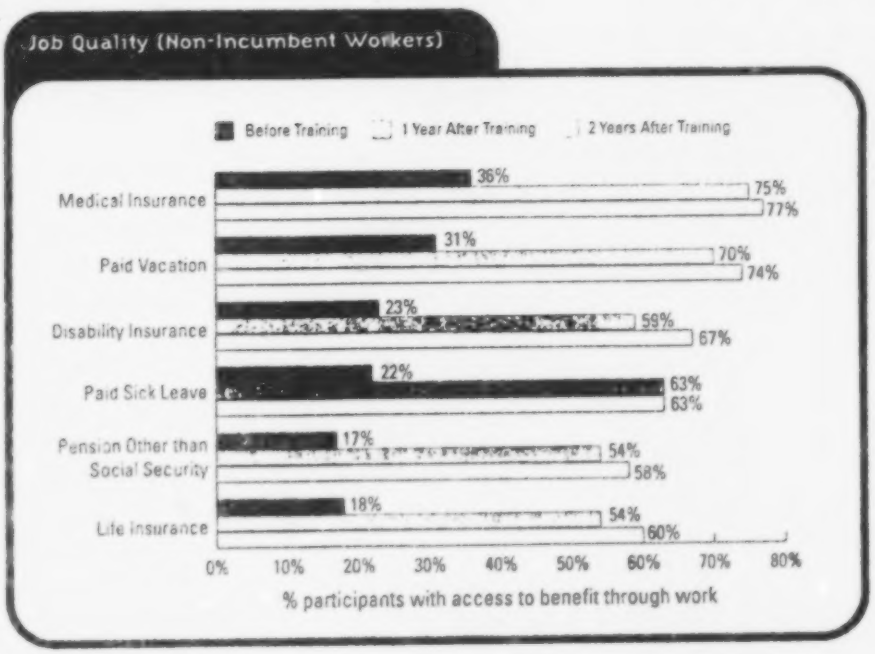
The steady increase in the proportions of participants who reported holding jobs for some portion of the year and who reported working year-round at their jobs also indicates improved employment outcomes. In the year before training, 67 percent of respondents reported working at some point during the year. This response rose to 93 percent in the first year following training and to 95 percent (269 respondents) in the second year. These figures show that almost all participants had some success in finding employment during the two years following training. **More importantly, during the second year after training, 69 percent of employed respondents (185 respondents) worked year-round at their job(s).** This figure compares to 56 percent (217 respondents) in the first year following training and 16 percent (62 respondents) during the year before training began.

Many of the employed participants held jobs within the industry or sector for which they received training during the two years after training. However, the proportion of sector-employed respondents was lower during the second year following training completion, compared to the first year. In the year following training, 84 percent of employed respondents (327 respondents) held at least one job in the sector for which they received training; during the second year, the proportion dropped to 69% (186 respondents). Nevertheless, 82 percent of respondents reported that they felt their future job/career prospects were better because of their participation in the training.

Job Satisfaction and Job Quality

An overwhelming majority of employed participants were satisfied with the main jobs they held during the two years following training. In addition, participants reported significant improvements in the availability of benefits through their employment during the two-year period.

Among employed respondents, 89 percent reported that they were either satisfied or very satisfied with the main jobs they held during the first year after training. In the second year following training, 87 percent of employed participants reported being satisfied with their main jobs. Moreover, participants reported substantial improvements in the benefits connected to their jobs. The following chart shows the percentage of participants reporting access to specified benefits through their jobs during the year before training (the baseline year) compared to the percentage of respondents who reported having access to these benefits during the first and second years after training.



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PERSONAL EARNINGS AND INCOME

Key Findings about Respondents' Earnings

- Participants reported an average increase of $10,824 in their annual earnings over the course of the survey, raising average earnings among participants from $9,033 to $19,857 in two years.
- Among employed respondents, snap-shot findings reveal that in the second year following training, median earnings increased by 26 percent ($3,692) compared to the previous year and by a remarkable 107 percent ($9,152) compared to the baseline year.
- In the second year following training, average hourly wages of employed respondents at their main jobs increased by 9 percent ($0.97) compared to the previous year and by 31 percent ($2.69) compared to the baseline year.
- Two years after training, 39 percent of survey respondents had moved out of poverty based on their personal earnings alone.

Survey respondents continued to experience improvements in their annual earnings during the second year after training. Further increase in annual earnings of participants was the result of increases in both earnings per hour and the number of hours worked during the year. For many trainees of the sectoral training programs, the earnings gains were such that participants moved out of poverty on the basis of personal earnings alone, assuming the participant was the sole earner in his or her household. Program by program data shows substantial variation in the outcomes achieved by participants in specific programs, but this variation is expected and corresponds well to the different goals and strategies set by each program.

Annual Earnings

The average and median annual earnings of employed respondents grew steadily over the course of the survey. In the baseline survey, respondents who had worked during the previous 12 months earned an average of $12,295 at their jobs and/or businesses.[14] Employed respondents reported an average of $17,363 in annual personal earnings during the year after the survey[15] and an average of $21,216 during the second year.[16] These "snapshot" figures reveal that on average, annual personal earnings of

[14] Of the 732 respondents interviewed at baseline, 539 reported having worked at some point during the year before the first wave of interviews. Among them, 483 respondents (90%) had only wage employment, 28 respondents (5%) had only self employment and 28 respondents (5%) had both wage and self employment. Personal earnings were reported by 96 percent (515) of all respondents who worked during the 12 months preceding the baseline survey.

[15] Total personal earnings were reported by 497 (97%) of the 510 respondents who had worked in the 12 months preceding the second interviews.

[16] Of the 371 respondents interviewed in third wave, 94 percent (349 respondents) reported working at a job or business for pay during the previous 12 months. Among those, 91 percent (316 respondents) reported their annual personal earnings, 6 percent (22 respondents) said that they did not know all components of their personal earnings and 3 percent (11 respondents) refused to answer all questions related to their personal earnings.

employed respondents increased by 73 percent ($8,921) compared to the annual personal earnings of participants who worked during the year before training and by 22 percent ($3,853) compared to those of participants who worked during the year following training **(Figure 1)**.

Increase in the median annual personal earnings of employed respondents over the survey period was even stronger than the change in average annual earnings. Median annual personal earnings of employed respondents at the baseline year were $8,580, increasing to $14,040 in the year following training, and to $17,732 in the second year following training. Median annual earnings during the second year after training increased by 26 percent compared with the previous year and by 107 percent compared with the baseline year.

Employed participants of all programs reported increases in their annual earnings over the time period covered by the survey **(Figure 2)**. These increases ranged from 25 percent for JARC respondents to 364 percent for Project QUEST respondents. More modest gains in earnings for GIDC and JARC respondents were expected since many of these respondents are incumbent workers who were already working at the time of the baseline survey.

In the second year following training, employed participants of all programs except Asian Neighborhood Design (AND) reported increases in personal earnings compared to the previous year. Excluding the experience of AND participants, the increase in annual personal earnings compared to the previous year ranged from 9 percent for Jane Addams Resource Corporation participants to 47 percent for Project QUEST participants.

FIGURE 1: Annual Earnings

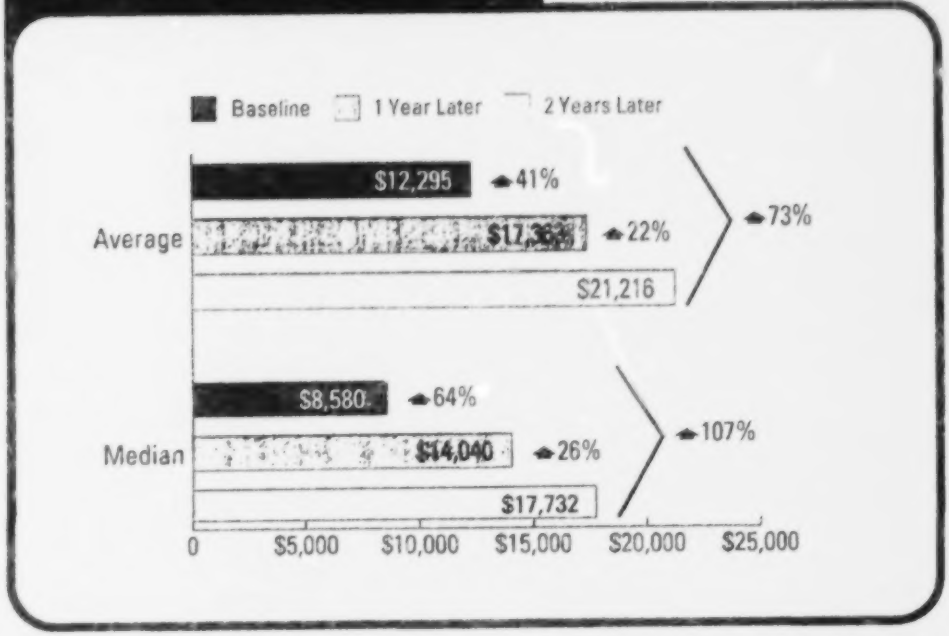

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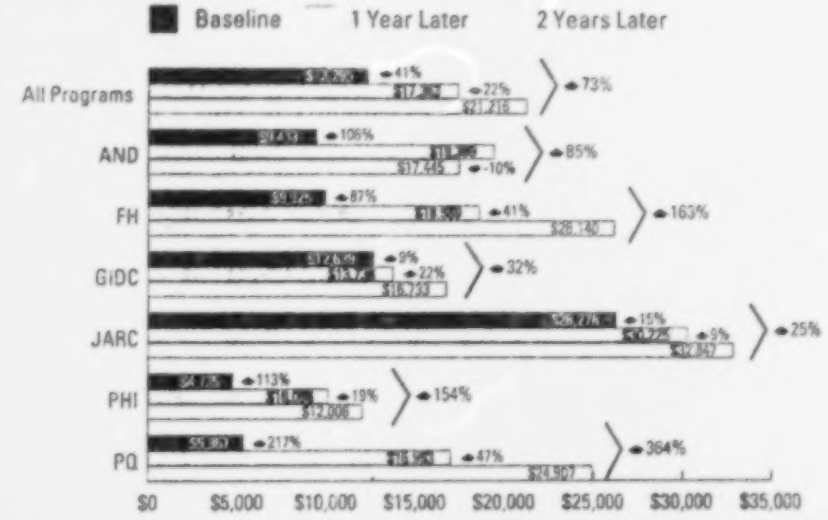
FIGURE 2: Earnings by Program

Change in average individual earnings by program for participants who worked at some point during the year prior to survey.



In the particular case of AND, annual personal earnings of employed participants during the second year following training was 85 percent higher compared to the baseline year, but 10 percent lower than the previous year. Further analysis of the decline in annual personal earnings of employed AND participants revealed that the decrease in earnings was the result of a drop in the number of hours worked during the second year after training compared to the number of hours worked during the first year and not the result of a decline in the hourly wage of AND participants. AND staff believe that the drop in the hours worked was caused at least partly by a weather-related slow-down in construction work in the San Francisco area during the last year covered by the survey.[17]

Including individuals who had zero earnings in one or both years, and limiting the analysis to individuals who provided complete earnings information at baseline and in the last survey, the calculation of the change in earnings shows that, on average, respondents experienced an increase of $10,824 (from $9,033 to $19,857) in their annual earnings.[18] The longitudinal analysis reveals that annual earnings for 78 percent of respondents increased in the year following training. Two percent of respondents experienced no change in earnings and 20 percent experienced a drop in their personal earnings in the second year after training compared to their earnings during the year before training began. On average, annual earnings of incumbent workers increased by $1,140 (from

[17] Telephone conversation with Gary Grady, AND Director of Training, and other SEDLP program leaders, September 28, 2001

[18] Change in annual earnings is reported for 325 respondents.

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$20,804 to $21,944), whereas non-incumbent worker trainees increased their annual earnings by a remarkable $13,679 (from $5,562 to $19,241).[19]

In order to document the progression in earnings gains of the respondents over the course of the survey, a subset of sample respondents, who were interviewed in all three waves and who reported their earnings in all three waves, was created. These participants (296 respondents) increased their earnings by $10,773. Annual personal earnings of these trainees increased by $7,420 in the first year following training and by an additional $3,353 in the second year. Findings for this subset are consistent with the overall longitudinal findings reported above.

Table 1 shows the change in annual earnings of subgroups of respondents with different barriers to employment. In general, individuals with a GED or a high school diploma and those with English language capability experienced higher earnings improvements than those without these qualifications. Conversely, participants who had limited work histories or had been receiving welfare showed greater earnings gains than those who did not experience these barriers. The difference is explained by a greater increase in hours worked among welfare recipients and those with limited work histories.

Table 1: Change in Annual Earnings of Respondents from Baseline to Two-Year Follow-up: Respondents Facing Selected Barriers to Employment

	SEDLP		
Barriers to Employment	**Women**	**Men**	**All Respondents**
Receiving cash welfare[20]	$17,132 (n=78)	$15,763 (n=4)	$17,065 (n=82)
No cash welfare	$10,778 (n=157)	$4,957 (n=86)	$8,718 (n=243)
No high school diploma or GED certificate	$4,502 (n=54)	($3,401) (n=19)	$2,445 (n=73)
High school diploma or GED certificate	$15,389 (n=181)	$7,803 (n=71)	$13,252 (n=252)
Worked fewer than 13 weeks in past 12 months	$16,453 (n=107)	$19,238 (n=18)	$16,854 (n=125)
Worked 13 weeks or more in past 12 months	$9,907 (n=128)	$1,987 (n=72)	$7,056 (n=200)
Limited English speaking ability	$5,077 (n=85)	($4,277) (n=21)	$3,224 (n=106)
English speaking ability	$17,313 (n=150)	$8,394 (n=69)	$14,503 (n=219)

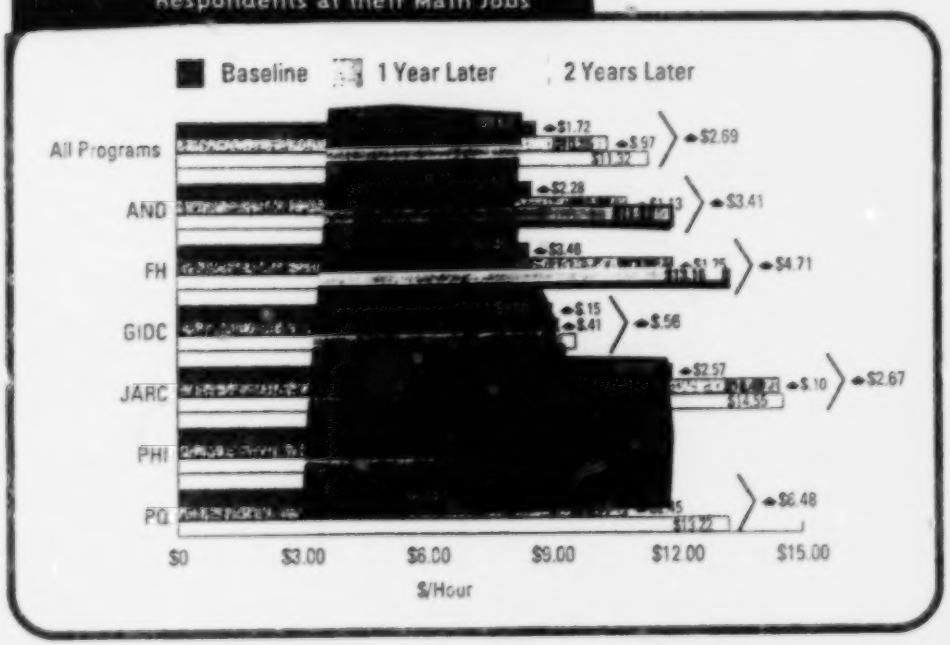
*Annual personal earnings were reported in both waves of the survey by 74 incumbent workers and 251 non-incumbent worker trainees. Respondents for whom change in annual personal earnings are reported include those with zero earnings at baseline and/or at the two-year follow-up survey.

[20]Cash welfare is measured as receiving Aid to Families with Dependent Children (AFDC), General Assistance, or other cash welfare.

Hourly Earnings

Participants continued to experience gains in earnings, not only because they became employed or worked more hours during the year, but also because they were working at jobs that offered better pay. Average hourly earnings of employed respondents were $8.63 per hour during the year before training began. This figure rose to $10.35 per hour during the year following training and continued to increase to $11.32 per hour during the second year following training.[21] During the second year after training, the average hourly earnings of employed individuals at their main jobs were 31 percent ($2.69) higher than the baseline year and 9 percent ($0.97) higher than the previous year **(Figure 3)**. Comparing data on average hourly wages of participants in the last year of the survey with data from the baseline year reveals that hourly wages of respondents in all programs showed improvement, ranging from $0.56 (an increase of 6%) for GIDC respondents to $6.48 (an increase of 96%) for Project QUEST respondents. Likewise, a comparison of data on average hourly wages of participants in the last year of the survey to data from the previous year shows an increase in hourly earnings, ranging from 1 percent ($0.10) for GIDC participants to 23 percent ($2.45) for Project QUEST trainees, in all programs.

FIGURE 3: Hourly Earnings of Employed Respondents at their Main Jobs



It is interesting to note that the income gains and hourly wage increases for each program correspond well to expectations, given a program's particular sectoral strategy. For example, in choosing a sector to target, Project QUEST staff looks for high-wage occupa-

[21] Hourly earnings figures are based on data about a participant's "main job", the job which provided the majority of the participant's earned income during the year. Of the 539 respondents who were employed at some point during the 12 months before the baseline interviews, 526 reported their hourly earnings at main jobs (reporting hours worked per week, weeks worked per year and annual earnings at that job). Five hundred of the 510 respondents who worked during the 12 months after training, and 321 of the 349 respondents who worked during the second year after training reported their earnings per hour at their main jobs.

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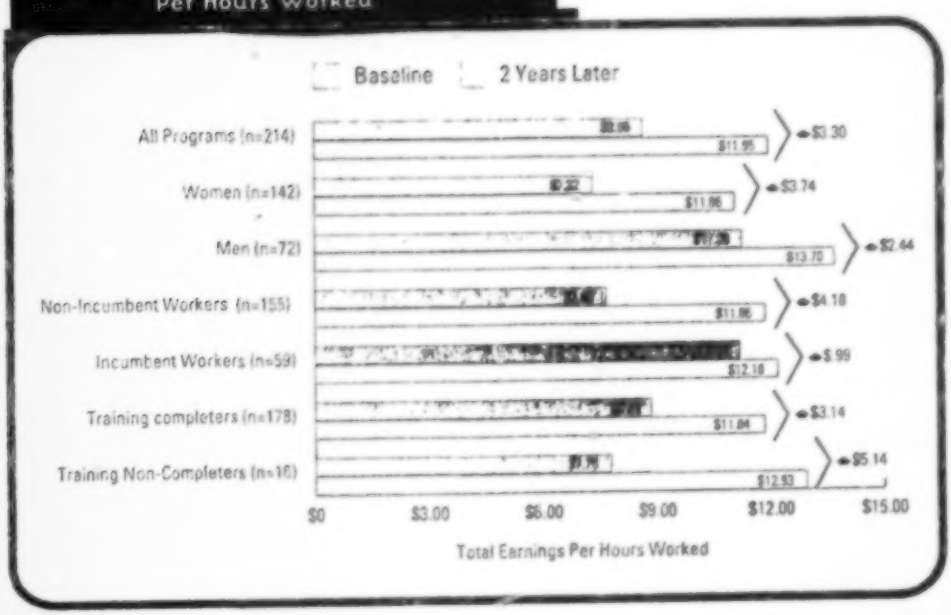
tions in which skilled workers are in short supply (what staff refer to as "demand occupations"). QUEST then provides intensive long-term training and an accompanying support system to enable individuals to acquire the skills needed to enter these jobs. In contrast, GIDC works within a sector that is trying to remain competitive in the face of fierce global competition to help workers for whom the sector is their best labor market opportunity — largely non-English-speaking individuals. GIDC provides short training courses to help workers upgrade their skills while also providing other services to employers to help their businesses compete. Thus, in the case of QUEST, dramatic improvements in hourly and annual earnings are expected, while at GIDC, the goal is to maintain and perhaps improve participants' earning capacity, and indeed, these are the results seen.[22]

The 31 percent overall increase in the average hourly wage of respondents over a two-year period is quite striking compared to the wage growth that workers have experienced on a national scale. A recent Economic Policy Institute (EPI) study reports that from 1995 to 1999, a period of low unemployment and strong productivity for the economy as a whole, the median hourly wage for all workers, adjusted for inflation, grew 7.3 percent.[23] Wage growth for workers in the 30th percentile, who are more comparable to working respondents in the SEDLP sample, grew 7.9 percent during this period.[24]

Figure 4 shows information on average increases in hourly earnings for respondents who were working during the year before and during the second year after training, and

FIGURE 4: Change in Total Earnings Per Hours Worked



[22] For more information about SEDLP programs' approaches to industry-based workforce development, please see The Aspen Institute's Sectoral Studies Series.

[23] Mishel, Lawrence, Jared Bernstein, and John Schmitt, *The State of Working America 2000-01*. (Ithaca, NY: Cornell University Press, 2001) 5.

[24] Mishel, et al., *State*, 124. The cutoff hourly wage for workers in the 30th percentile of wage earners was $8.72 in 1999.

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who reported their annual earnings and total hours worked during both years. This longitudinal analysis shows an even greater increase in hourly earnings ($3.30) than did the "snap shot" comparison, which compared only the averages for the baseline and one-year follow-up sample. Overall, the rate of hourly earnings increased for 76 percent of participants, while remaining the same for 1 percent and decreasing for 22 percent.

Participants' Poverty Status

The following section analyzes the poverty status of participants and their families, assuming a participant's earnings are the sole source of household income. The purpose of this analysis is to assess participants' ability to escape poverty through personal earnings alone. Thus, the percentage of participants whose households actually have incomes below the poverty threshold is probably lower than shown below, because many have supplemental sources of income, such as a spouse's earnings or continuing forms of government assistance. The numbers do indicate the percentage of participants who have found a job(s) that provides sufficient income to lift them and their families out of poverty.

Table 2: Poverty Status Based on Personal Earnings Alone*

Wave 1	Wave 3		Total
	N & % living above the poverty threshold	N & % living below the poverty threshold	
N & % living above the poverty threshold	59 (18%)	19 (6%)	78 (24%)
N & % living below the poverty threshold	127 (39%)	120 (37%)	247 (76%)
Total	186	139	325
	(57%)	(43%)	(100%)

*Assumes respondent's earnings represent the sole source of household income.

Table 3: Poverty Status of Non-Incumbent Workers Based on Personal Earnings Alone*

Wave 1	Wave 3		Total
	N & % living above the poverty threshold	N & % living below the poverty threshold	
N & % living above the poverty threshold	22 (9%)	10 (4%)	32 (13%)
N & % living below the poverty threshold	117 (47%)	102 (41%)	219 (87%)
Total	139 (55%)	112 (45%)	251 (100%)

*Assumes respondent's earnings represent the sole source of household income.

For many of the sectoral program trainees, the increase in annual earnings was large enough that, on the basis of earnings alone, these participants' households moved out of poverty. Longitudinal findings on movement in and out of poverty by survey respondents show that among respondents interviewed in both the first and third waves, 325 had personal earnings and household size information for both waves of the survey. Among them, 39 percent (127 respondents) were in poverty at baseline and moved out of poverty by the second year after training, while 6 percent (19 respondents) lived above the poverty line at baseline and subsequently slipped into poverty.

The official poverty thresholds are generally very low and do not adequately measure what families need to achieve self-sufficiency in various parts of the country. However, they are still commonly used as an indicator for examining the poverty status of families, and for that reason were used as an indicator in this report. We also looked at 150 percent of poverty line to examine the progress that participants made in escaping poverty. That analysis showed that among the same 325 respondents, 28 percent (92 respondents) were living below 150 percent of the poverty line at baseline and moved above 150 percent of poverty line by the second year after training; 5 percent (17 respondents) had personal earnings above 150 percent of the poverty line at baseline, but during the second year after training, had personal earnings that placed them below 150 percent of the poverty threshold.

Among non-incumbent workers interviewed in both the first and third waves, 251 respondents had personal earnings and household size information for both waves of the survey. Among them 47 percent (117 respondents) were in poverty at baseline and moved out of poverty by the second year after training, while 4 percent (10 respondents) lived above the poverty line at baseline and subsequently slipped into poverty.

Among the same 251 respondents, 32 percent (81 respondents) were living below 150 percent of the poverty line at baseline and moved above 150 percent of poverty line by the second year after training, while 3 percent (8 respondents) had personal earnings above 150 percent of the poverty line at baseline but fell below 150 percent of the poverty threshold during the second year after training.

Household Income

Respondents receive personal income from sources other than their jobs and businesses. **Table 4** shows some of the other sources of income reported by respondents, including public assistance programs, and the percentage of respondents who reported receiving income from that source. The table also shows the average amount of income received for those who reported income from that source. Note that these data do not show changes over time for respondents, but are pictures of each sample as a whole.

Table 4: Percent of Participants Receiving Non-Wage Sources of Income

	Baseline		1 Year after training		2 Years after training	
Other sources of personal income during the previous year	% Receiving Income from Source	Avg. Annual Amount Received	% Receiving Income from Source	Avg. Annual Amount Received	% Receiving Income from Source	Avg. Annual Amount Received
Food stamps, WIC, other food supplement programs	37%	$2,226	25%	$1,657	14%	$1,577
Cash benefits, such as AFDC, ADC, or TANF	21%	$3,514	12%	$2,610	2%	$1,979
Stipends from any government program (such as a Pell Grant)	19%	$2,468	4%	$1,470	2%	$3,304
Child care subsidy	16%	$3,182	7%	$3,282	3%	$3,004
Public housing assistance	14%	$4,424	13%	N/A	9%	N/A
Unemployment Insurance	13%	$3,117	8%	$3,738	9%	$2,157
Money from Earned Income Tax Credit (EITC)	10%	$1,743	13%	$1,608	24%	$1,908
Alimony or child support	10%	$2,234	8%	$3,501	11%	$3,599
State General Assistance (Home Relief, General Relief, etc.)	5%	$2,573	3%	$2,677	2%	$1,869

The data presented above show that there was less reliance on public assistance among the post-training samples. Both the percentage of participants receiving benefits from programs, such as AFDC/TANF and Food stamps, and the amount of benefits that respondents, on average, received from these sources declined over this two-year period. On the other hand, a higher percentage of sample participants were taking advantage of the Earned Income Tax Credit (EITC) during the second year after training (24%) compared to the previous two years. The rise in the percent of participants who received income from EITC during the second year after training can be explained partly by an increase in the number of individuals who became eligible for this program, such as welfare recipients who joined the workforce. Once they started working and having earnings, they became eligible for EITC.[a] It also appears that more eligible participants took advantage of this program during the second year after training compared to the previous years.

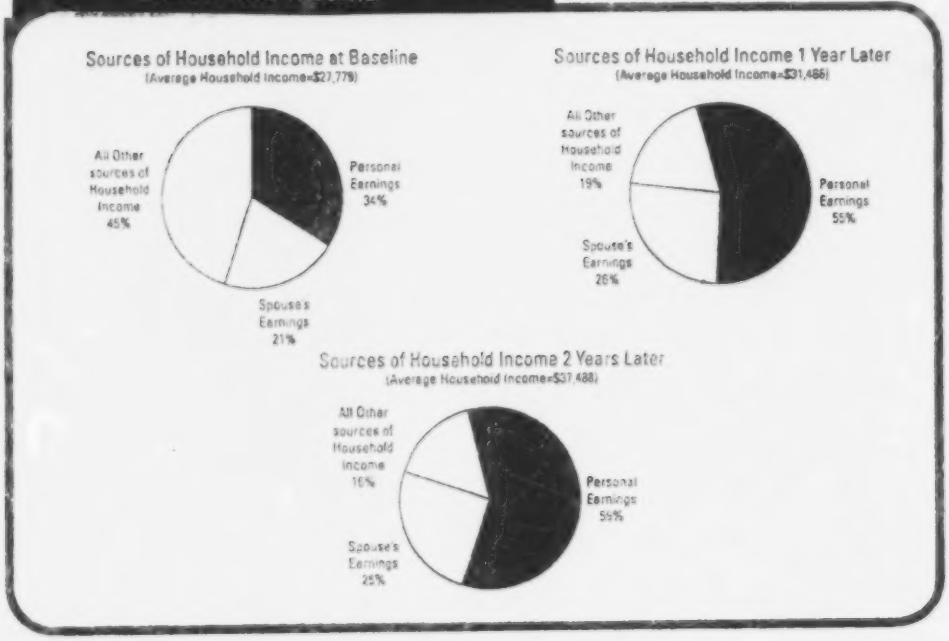
[a] Thirty percent of participants who were receiving income from EITC during the second year following training were on TANF during the baseline year.

[b] Both at baseline and in the two years following training, it was not possible to compute the total household income of all participants in the survey because not all respondents reported all components of their household incomes. Thus, household income figures reported here are valid for only part of the sample and are not necessarily indicative of incomes of all participants in the survey. There were many reasons why a subset of respondents in each wave did not provide information on all components of household income. For example, in the case of Focus:HOPE participants, only 39 percent reported their household income at baseline. In general, these participants are young and live with their parents, and because they are not heads of their households, they have limited information on household finances. In a number of other cases, participants were immigrant women who either did not know or were not comfortable reporting what their husbands or other household members earned.

At baseline, 59 percent of respondents (431 respondents) reported all components of their household incomes.[26] The average and median household income of these respondents were $27,586 and $19,142, respectively. During the year following training, 318 respondents (59 percent of Wave 2 respondents) reported all components of their household incomes and the average and median income levels of these respondents were $31,486 and $24,210, respectively. During the second year after training 206 respondents (56% of all third wave respondents) reported all components of their household incomes, revealing respondents' average and median levels of income were $37,488 and $32,206, respectively.[27]

It is interesting to note the change in the contribution of personal earnings to the total household incomes of respondents during these two years. During the year prior to the start of training, on average, about a third of respondents' total household income came from their personal earnings (34%). In the following year, the contribution of personal earnings of respondents to their total household incomes increased to 55 percent.[28] Respondents' personal earnings, on average, amounted to 59 percent of total household income during the second year following training. **Figure 5** shows the contribution of different sources to the total household incomes of participants in the three years covered by the three waves of the survey.

FIGURE 5: Change in Composition of Household Income


Sources of Household Income at Baseline
(Average Household Income=$27,779)
All Other sources of Household Income 45%
Personal Earnings 34%
Spouse's Earnings 21%
Sources of Household Income 1 Year Later
(Average Household Income=$31,486)
All Other sources of Household Income 19%
Personal Earnings 55%
Spouse's Earnings 26%
Sources of Household Income 2 Years Later
(Average Household Income=$37,488)
All Other sources of Household Income 16%
Personal Earnings 59%
Spouse's Earnings 25%

[27] Of the non-incumbent workers interviewed in the last wave, 157 respondents reported all components of their household incomes. With reported household incomes averaging $34,099, these respondents contributed an average 63 percent of their total household incomes from personal earnings.

[28] The change in the contribution of personal earnings to total household income was higher for non-incumbent worker trainees who had lower employment rates and annual earnings during the year prior to the start of training. On average, the share of personal earnings to total household income of these trainees increased from 21 percent in the year before training to 53 percent during the year after training.

OUTCOMES FOR WELFARE RECIPIENTS

A full quarter of the SEDLP sample at baseline included individuals who reported receiving cash assistance through TANF or State General Assistance during the year before they began training at the sectoral programs.[29] This sub-sample continued to make up a full quarter of the sample in subsequent waves of the survey. At baseline, almost half of these respondents (48%) were PHI participants, 21 percent were Focus:HOPE trainees, 16 percent were AND participants and 14 percent were Project QUEST students. We tracked this sub-sample separately to monitor their outcomes during the two years after training and examine the extent to which these participants benefited from receiving the type of intervention that sectoral programs offer.[30] Respondents in this sub-sample were generally more disadvantaged compared to survey respondents as a whole. The average and median annual earnings of those among them who worked during the year prior to the start of training were $4,669 and $3,120, respectively. These figures compare to $12,295 and $8,580 for the total of employed survey respondents at baseline. If those with no earnings are included, the average annual earnings of respondents in the welfare sub-sample drop to $2,038 and their median earnings drop to $0. In addition, these participants faced more barriers to employment than the rest of the trainees served by the programs. For example, among them, 31 percent lacked a high school diploma or a GED and 69 percent had limited recent work history or had worked fewer than 13 weeks during the year prior to the baseline survey.[31] Yet, they were able to make remarkable strides in the labor market during the two years following training. The extremely positive outcomes that these participants experienced demonstrate the value of sectoral training strategies and the promise they hold for welfare recipients.

Earnings

Increased hours worked and increased earnings per hour combined to produce a remarkable growth in earnings for these participants during the two years following training.

Average earnings of all participants in this subgroup (including unemployed respondents) increased by $17,065 over the course of the survey. Average annual earnings of employed respondents in this sub-sample increased from $4,669 during the year before training began to $12,350 in the year following training and $19,601 during the second year after training. These findings show that employed participants increased their annual earnings by 320 percent ($14,932) in the second year following training compared to the baseline year, and by 59 percent ($7,251) compared to the first year after training. The improvement in median annual earnings of employed participants was even more notable. Median annual individual earnings of participants were $3,120 during the baseline year, rising to $10,800 in the year following training and to $15,015 during the second year after training. Compared to the baseline year, median earnings increased by 246 percent during the first year after training and by 381 percent in the second year after training.

Forty-eight percent of survey participants moved out of poverty on the basis of earnings alone during the second year following training. Looking at respondents' main jobs, jobs that represented respondents' primary source of earned income during the year, earnings per hour increased by $1.80 or 28 percent from $6.38 to $8.18 during the year after training, and continued to increase to $9.95 or by $3.57 (56%) during the second year after training.

Employment

Participants reported working an average of 1,467 more hours during the second year after training compared to the baseline year. This is equivalent to 84 percent of a full-time work year.[32]

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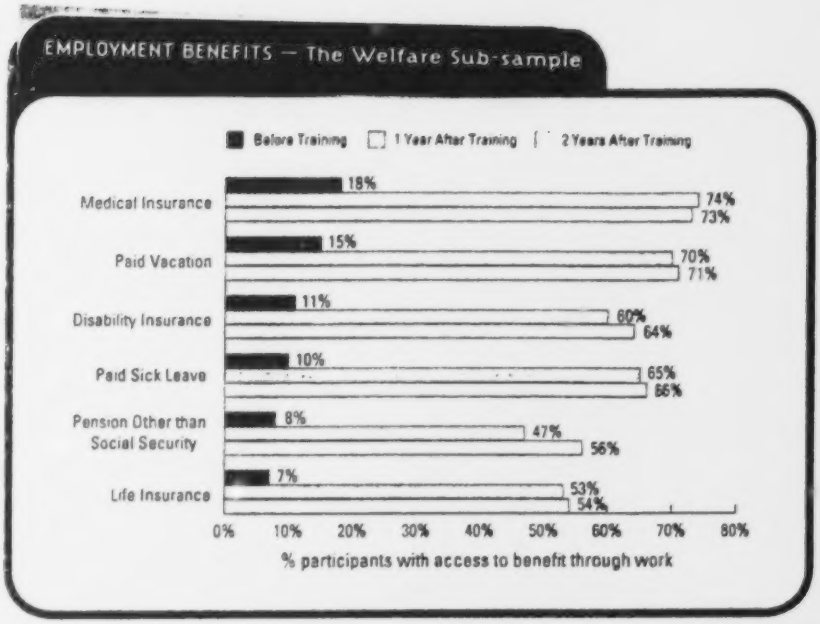
[29] Among the SEDLP sample participants 21 percent reported receiving income from TANF program and 5 percent reported receiving cash assistance through State General Assistance during the year before training began.

[30] Sixty-four percent of respondents in the welfare sub-sample completed their training according to the anticipated schedule. However, among 143 respondents in this sub-sample interviewed one year after training, 85 percent (121 respondents) reported that they completed their training at the sectoral program. The increase in completion rate one year after training is due to the fact that some participants took longer than expected to complete the training program.

[31] For more information on the characteristics of these participants refer to the technical note at the end of this document.

[32] The U.S. Bureau of Labor Statistics defined a full time work year as working at least 35 hours per week for 50 weeks per year, or 1,750 hours.

Almost all participants had some success in finding employment after training and many were able to achieve full-time, year-round employment. Only 45 percent of trainees in this subsample reported having worked at some point during the year before training began. In the year following training, 93 percent reported having worked for some part of the year, and in the second year following training, 96 percent reported working for some portion of the year. Therefore, the durational employment rate improved by 51 percentage points during the second year after training compared to the baseline year. In addition, during the second year after training 71 percent of employed respondents (64 respondents) worked year-round at their job(s). This figure compares to 59 percent (79 respondents) in the first year following training and 11 percent (9 respondents) during the year before training began. Employed respondents reported working an average of 42 hours per week and 20 weeks per year at their main jobs during the year before training began. Employed respondents reported working at their main jobs an average of 43 hours per weeks and 37 weeks per year during the first year after training, and an average of 40 hours per week and 44 weeks per year during the second year. These survey findings show that employment outcomes for these participants were extremely positive during the two years after attending the training programs.



Reliance on Public Assistance

Both the proportion of respondents on welfare and the dollar amount of benefits they received through TANF decreased over the course of the survey.

During the year after training, only 50 percent of respondents (within the welfare subset) reported receiving income through TANF or General Assistance. During the second year after training, only 15 percent of survey respondents reported receiving government transfers through TANF or General Assistance. In addition, TANF benefits received by respondents decreased by an average of $2,616 during the second year after training compared to the baseline year.

Job Satisfaction and Job Quality

Job quality of participants improved dramatically compared to the baseline year. Participants reported remarkable improvements in the availability of benefits through their jobs during the two years following training. Moreover, the majority of employed participants in the post-training samples were satisfied with the main jobs they held during the two years following their participation in the sectoral training programs.

Among employed respondents, 86 percent reported that they were either satisfied or very satisfied with the main jobs they held during the first year after training. In the second year following training, 87 percent of employed participants reported being satisfied with their main jobs. Moreover, the following chart shows that the benefits package connected to the jobs that these participants held after training was much improved compared to that of the jobs they held before receiving training at the sectoral programs.

EMPLOYMENT AND EXPERIENCE IN THE JOB MARKET

Key Findings about the Employment Status of Respondents

- Ninety-four percent of respondents were employed for some portion of the year during the second year following training.
- Respondents, on average, worked 722 more hours during the second year after training compared to the baseline year. Non-incumbent workers, on average, worked 966 more hours and incumbent workers worked an average of 64 fewer hours.
- During the second year following training, 70 percent of employed respondents worked year-round at their job(s), up from 59 percent of employed respondents in the first year following training and 32 percent of employed respondents during the year prior to the start of training.
- Seventy-three percent of employed respondents held at least one job in the sector for which they received training during the second year following training, compared to 87 percent of employed respondents during the first year following training.

Employment status of respondents two years after training shows that participants continued to make progress in the labor market. The percentage of respondents who reported working for some portion of the year remained high and participants continued to increase the number of hours they worked during the week and the number weeks they worked during the year at their main jobs.[33] Year-round work also became more prevalent during the second year after training compared to the previous two years.

Employment

The proportion of respondents who reported having worked at some point during the second year after training remained high compared to the baseline year. The second year after training was much like the 12 months following training in that 94 percent of respondents (349 respondents) reported having worked for some portion of the year[34] (Table 5). This is a substantial improvement when compared to 74 percent of participants who reported having worked at some point during the 12 months before the baseline interviews. For non-incumbent worker trainees, the employment rate was 67 percent in the year prior to training, 93 percent during the year after training, and 95 percent during the second year following training.

Employed respondents, on average, worked 47.3 weeks (47.1 weeks, excluding incumbent workers) during the second year after training. This compares with 43.7

[33] A main job is defined as the respondent's main source of earnings during the previous 12 months.

[34] During the second year following training, 95 percent of non-incumbent worker trainees (269 of 282 respondents) and 90 percent of incumbent worker trainees (80 of 89 respondents) worked at some point during the year.

Table 5: Employment Status

Employment Status	*SEDLP Sample (Baseline)*	*SEDLP Sample (Year 1)*	*SEDLP Sample (Year 2)*
Employed in the past year	**74%**	**94%**	**94%**
Employed year-round	23%	55%	66%
Employed part-year	51%	39%	28%
Unemployed in the past year	**26%**	**6%**	**6%**
Total	100% (n=732)	100% (n=543)	100% (n=371)

weeks (43.2 weeks, excluding incumbent workers) in the first year after training and 34.9 weeks (30.1 weeks, excluding incumbent workers) during the year before training began. Findings on average number of weeks worked by employed respondents show that over time respondents were working longer at their jobs.

Longitudinal analysis of change in total hours worked in the year following training compared to the baseline year showed that, on average, respondents were working 601 more hours per year at their jobs. During the second year after training, respondents worked an average of 722 more hours compared to the number of hours they worked during the year before training began, increasing their average annual hours worked from 971 during the year before training began to 1,693 hours during the second year after training.[35] Incumbent workers, on average, worked 64 fewer hours during the second year after training (decreasing their total hours worked from 1,883 to 1,820). Other trainees worked 966 more hours in the second year following the completion of training than in the year prior to the baseline survey (from 687 hours to 1,653 hours).[36] **Table 6** shows the average change in hours worked on a program-by-program basis.

Table 6: Average Change in Total Hours Worked

	AND	FH	GIDC	JARC	PHI	PQ	All Programs
Change in hours worked	403	1,000	237	(356)	1,232	1,254	722
Number of respondents	26	70	73	41	68	63	341

Among GIDC trainees, participants in both the super sewers program (non-incumbent workers) and the apparel skills training program (incumbent workers) reported an increase in the average number of hours they worked. On average, GIDC's non-incumbent worker trainees worked 226 more hours and their incumbent worker trainees worked 244 more hours during the second year after training compared to the baseline year. JARC participants, on average, worked 356 fewer hours during the second year after training compared to the baseline year. Among JARC trainees, partici-

[35] Longitudinal change in total hours worked is reported for 341 respondents who reported their hours of work in both the first and third years (including those who did not work).

[36] Among incumbent workers, 81 respondents reported their hours of work in both waves of the survey; among other trainees, 260 respondents reported their hours of work in Wave 1 and Wave 3 of the survey.

pants in the Unemployed Training Program worked an average of 328 more hours during the second year after training compared to the baseline year. Participants in their Incumbent Training Program, however, worked 429 fewer hours. A combination of factors explains the drop in the average number of hours that these participants worked. Many of these trainees worked more than 40 hours per week at their jobs at the start of the training. During the second year after training, a number of these participants could afford to cut back on the number of hours they were working at their jobs. On the other hand, cuts in overtime or job losses led to a drop in the number of hours worked by some participants.

Over time, change in the number of hours that survey respondents worked at their jobs was also examined by tracking the subset of trainees who were interviewed in all three waves of the survey and who reported the total number of hours worked at their jobs.[37] The progressive improvement in the number of hours that these respondents reported working during the two years following training closely resembles that of survey respondents as a whole. These trainees managed to increase their total hours worked by 620 hours from the baseline year to the year following training completion and continued to increase their hours by working an additional 94 hours in the last year of the survey compared to the previous year.

Employment Patterns

A closer examination of the work patterns of employed respondents in the year before training began showed that the typical respondent was working full-time for part of the year, and that the average number of jobs per employed respondent was 1.5. Multiple job holders represented 39 percent of employed participants. Of those holding multiple jobs, 56 percent were only moving from one job to another, or job "hopping", while 33 percent were working two or more jobs at one time, or income "patching", and 11 percent were employing both strategies.

In the year following training, roughly the same proportion of individuals, 37 percent of the sample, continued to hold multiple jobs, with the average number of jobs per employed individual remaining at 1.5. However, emphasis in the year following training shifted toward "hopping", moving from one job to the next, rather than "patching", simultaneously holding more than one job in order to patch together sufficient income. Among multiple job holders, 74 percent were job "hopping" only, 18 percent were job "patching" only, and 8 percent were simultaneously engaging both strategies.

During the second year after training, the work patterns of respondents changed somewhat more dramatically. The average number of jobs per employed respondent dropped to 1.3. Multiple job holders represented a much smaller proportion of employed participants (24 percent or 85 individuals). There was still a stronger shift towards job "hopping" with virtually all multiple job holders moving from job to job. More specifically, 46 percent of respondents with more than one job (39 participants)

[37] Of the respondents interviewed in all three waves of the survey, 303 reported their total hours worked in all three waves of the survey.

were engaged in job "hopping" only and 54 percent (46 respondents) were both job "hopping" and job "patching". No respondent was engaged purely in job "patching" during the last year of the survey.

In the year following training, job hopping became a more productive way for participants to advance in the labor market than it had been prior to training. Individuals who were job hopping only during the year after training, reported that the wage rate of their most recent jobs was, on average, $2.45 higher than that of the first jobs they held after training. In contrast, during the year before the baseline survey, the average change in hourly wage of job hoppers was only $0.90. In the year following training, 69 percent of job hoppers managed to increase their hourly wage, 8 percent made lateral moves with no change in hourly wage, and 23 percent reported lower earnings per hour at their most recent jobs compared to the first jobs on which they reported. In the baseline year, 58 percent of job hoppers were able to increase their hourly wage, while nine percent made lateral moves with no change in hourly wage, and 33 percent earned less per hour at their most recent jobs.

Job hopping in the second year after training continued to be a more productive way for participants to advance in the labor market than it had been prior to training. Individuals who were only job hopping during the second year, reported that the wage rate of their most recent jobs was, on average, $2.37 higher than that of the first jobs they held during that year.[38] The proportion of hoppers who improved their hourly earnings by job hopping was almost the same in the second year after training as it was in the previous year. Sixty-eight percent of job hoppers managed to increase their hourly wages, while 8 percent made lateral moves with no change in hourly wages and 24 percent received lower earnings per hour at their most recent jobs compared to the first jobs on which they reported.

Year-round work also became more and more prevalent after training (see **Table 5**). Whereas in the year prior to the start of training 23 percent of all respondents and 32 percent of employed respondents (172 respondents) worked year-round at their job(s), during the year after training started, 55 percent of all respondents and 59 percent of employed respondents (301 respondents) were working all year at their job(s). In the second year following training, 66 percent of all respondents and 70 percent of employed respondents (245 respondents) were working year-round at their jobs.[39] These results show that over time the proportion of participants working year-round increased steadily among the survey respondents.

Another difference in employment patterns described by the three surveys is that during the two years after training, participants worked more weeks per year at their main jobs, that is, the jobs that are their primary sources of income. **Table 7** shows the

[38] Of the 39 respondents who were engaged only in job 'hopping', 37 reported hourly wages at their first and last jobs during the year.

[39] Among non-incumbent worker trainees who worked during the second year after training, 69 percent (186 respondents) worked year-round at their job(s).

Table 7: Average and Median Hours and Weeks Worked at the Main Job in the Past Year

	Wave 1		Wave 2[40]		Wave 3	
All employed respondents in the past year	**SEDLP Sample**	**SEDLP Sample w/o Incumbent Workers**	**SEDLP Sample**	**SEDLP Sample w/o Incumbent Workers**	**SEDLP Sample**	**SEDLP Sample w/o Incumbent Workers**
Average Weeks Worked	28.9	23.3	37.3	36.1	40.5	39.1
Median Weeks Worked	28	20	43	40	50	49
Average Hours Worked/Week	35.5	32.3	38.7	37.5	39.7	39.1
Median Hours Worked/Week	40	35	40	40	40	40

number of hours and weeks per year that participants worked at their main jobs, both before and after training.

The average number of hours and weeks worked increased for all survey respondents, particularly unemployed or underemployed trainees. Non-incumbent workers, on average, worked 6.8 hours more per week and 15.8 weeks more per year at their main jobs. The increase in the median number of weeks that these participants worked at their jobs is even stronger compared to the average figures.

Unemployment

Consistent with our findings on the employment side, the percentage of respondents who experienced some period of unemployment during the three years covered in the survey steadily declined. During the year prior to the start of training, 77 percent of all respondents (89%, excluding incumbent workers) experienced some period of unemployment. In the year after the end of training, however, only 45 percent of all respondents (48%, excluding incumbent workers) reported some period of unemployment.[41] During the second year following training, 34 percent of all respondents (34% of non-incumbent worker trainees) reported some period of unemployment.[42]

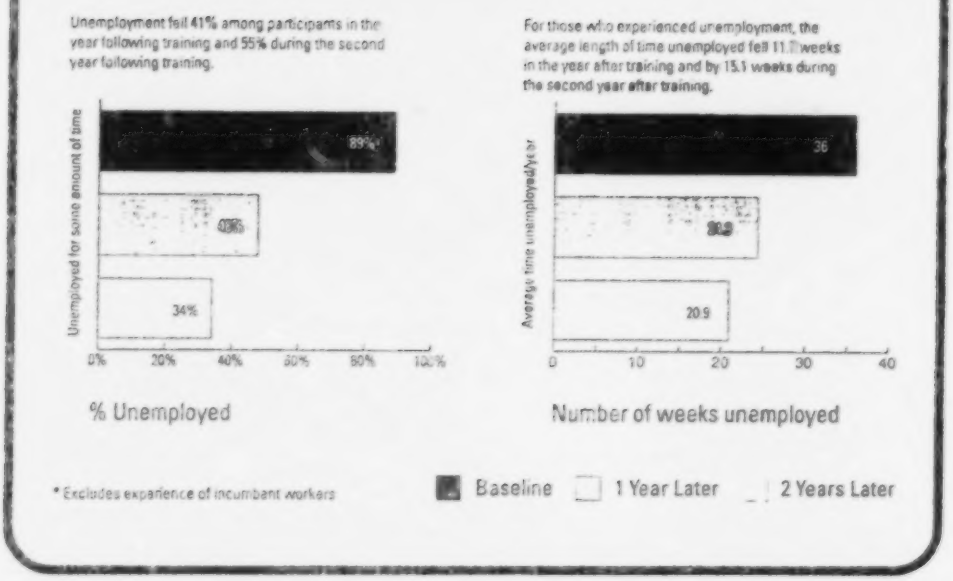
Furthermore, the length of time that respondents were unemployed also decreased substantially during the two years after training (**Figure 6**). Among all respondents who

[40] Of the 510 respondents who were employed at some point during the 12 months before the Wave 2 interviews, 509 reported weeks and hours of work at their main jobs.

[41] Of the 732 respondents interviewed at baseline, 560 reported being unemployed for some time. Of the 543 respondents interviewed in Wave 2, a total of 242 respondents reported being unemployed for some period during the 12 months preceding the interview. The total number of respondents in the baseline sample, excluding JARC and GIDC incumbent workers, was 563. Of these, 501 were unemployed at some point in the previous year; the total number in the Wave 2 sample, again excluding JARC and GIDC incumbent workers, was 416 respondents of whom 199 were unemployed at some point during the previous year.

[42] In Wave 3, 125 of the 371 participants interviewed reported being unemployed for some time. Ninety-six of the 282 non-incumbent workers interviewed in the third wave were unemployed at some point during the second year after training.

FIGURE 6. Unemployment*



were unemployed for some period of time, the average length of time unemployed fell by 9.9 weeks, from 34.2 weeks to 24.3 weeks during the first year after training and to 22.3 weeks during the second year following training. Non-incumbent worker trainees who experienced some unemployment during the two years after training were unemployed for an average of 24.3 weeks during the first year after training and 20.9 weeks during the second year after training. During the year before training began, those who experienced unemployment were out of work for an average of 36 weeks. For them, the average length of time unemployed fell 33 percent or 11.7 weeks by the end of the first year and 42 percent or 15.1 weeks by the end of the second year.

Respondents who experienced any period of unemployment during the second year following training (126 respondents) cited a variety of reasons for being unable to get or hold jobs. Some of these reasons suggest that the respondent voluntarily chose not to work. For example, a number of respondents cited returning to school or choosing to stay home as the reason why they were not working all year. Others were out of work involuntarily and cited such reasons as the job market, personal or family health problems, lack of education or skills, discrimination, and lack of child care or transportation. The majority of participants cited multiple reasons in their responses, but 37 percent of those who experienced a period of unemployment during the year (47 respondents), cited the job market as the reason for not getting or holding jobs. Among these respondents, 23 were GIDC participants who work in the garment industry, an industry that continues to struggle. Reported by 31 percent of respondents (39 respondents) as the reason they did not get or hold jobs, personal or family health problems was the second most frequently cited reason for unemployment. Returning to school was cited by 22

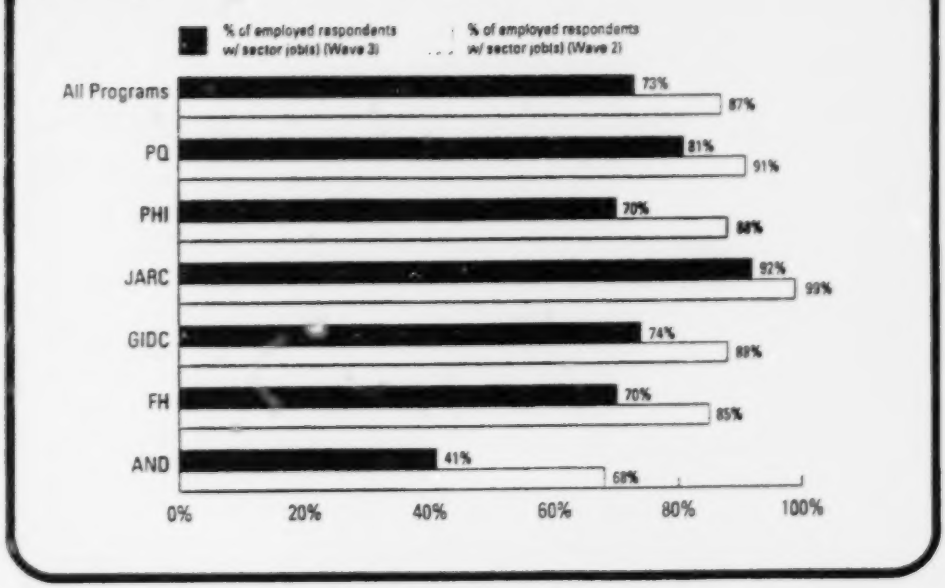
percent of respondents (28 respondents) who did not work for some period of time during the second year after training. Surprisingly, lack of child care and transportation were not among the main reasons participants did not get or hold jobs. Only 14 percent of respondents (17 respondents) said that lack of child care led to their unemployment and only 10 percent (13 respondents) cited lack of transportation as the reason.

These responses suggest that even with all the strides made by these respondents, they still face a level of vulnerability in the labor market.

Employment in the Sector

An important question that can be answered by the data collected one and two years after training is whether participants worked at jobs within the industry for which they were trained. In addition, the data also shed some light on the question of whether participants were able to benefit from building on their work experiences within the industry. Survey results showed that during the year following training, the majority of employed respondents were working in the sector for which they received training. More specifically, 87 percent of employed participants (444 respondents) held at least one job in the sector for which they were trained.[43] During the second year following training, the percentage of participants who were working in the sector for which they received training dropped to 73 percent (255 respondents). A smaller proportion of employed respondents in all programs reported holding jobs within the industries for which they received training **(Figure 7)**.

FIGURE 7: Employment in the Sector



[43] Among 444 respondents with jobs in the sector, 117 were incumbent workers and 327 were non-incumbent worker trainees.

There are many reasons, both sector- and individual-specific, for the drop in sector-related employment that occurred between the first and second years after training. For example, in the construction industry where the nature of the work is seasonal, it is not uncommon for workers to seek employment outside the sector during off-season periods. Frequently, workers are satisfied in those out-of-sector jobs and choose to keep them, leaving the construction industry either permanently or for a period of time. Individual-specific reasons for the drop in sector-specific employment include the example of Focus:HOPE where participants, trained in precision machining and metalworking, were young and not always sure of the career paths they wanted to follow. As a result, a number of them left the industry to pursue career opportunities outside of the sector.

Based on the longitudinal analysis of change in annual personal earnings of participants, respondents who were working at sector job(s) during the second year after training increased their annual personal earnings by $12,707 over the course of the survey.[4] The median change in personal earnings of these respondents was $11,962. Respondents working at jobs outside of the sector for which they received training increased their annual personal earnings by $11,722.[5] Their median change in personal earnings was $9,450.

Overall, the combination of improved hours of work at the job(s) and increased hourly pay for participants who stayed in the sector produced a modest advantage for these trainees over time. However, given that participants who left the sector also experienced substantial improvements in their annual personal earnings, it may be that building work experience and skills over time is more of a key factor in the advancements that these participants made in the labor market than whether or not they stayed in the sector.

Moreover, the benefits of working in the sector over a long period of time versus working outside the industry are likely to vary significantly depending on the sector or the industry in which an individual works. It may be the case that sector programs that work within low-wage occupations, seeking to improve the quality of jobs, provide some individuals the work experience and opportunities they need to move into higher wage sectors. For example, home health care is a low-wage occupation with regulatory and other barriers that prevent workers from commanding progressively higher wages. Survey findings suggest that a number of PHI participants used employment in this industry as a stepping stone in building their careers, eventually leaving the sector for employment in other industries offering greater potential for improved economic outcomes.

A comparison of the average and median hourly wages of PHI respondents who worked in the home health care sector during the last year of the survey with the average and median hourly wages of respondents who worked outside the sector, partly supports the hypothesis that sector programs within low-wage occupations provide work experience and opportunities for advancing into higher paying jobs in other sectors. Participants who worked outside the sector reported higher average ($8.42) and

[4] The change in personal earnings is reported for 227 respondents.

[5] The change in personal earnings is reported for 76 respondents.

median ($7.98) hourly wages relative to those who continued working in the sector and whose average and median hourly wages were $6.81 and $6.75, respectively. In the case of programs that work in high-wage sectors, the situation is different. For example, survey results on hourly wages of Project QUEST participants, trained to access high-wage jobs, show that participants can benefit from staying in the sector over time. On average, Project QUEST participants working in the sector reported higher average ($13.98) and median ($12.56) hourly wages relative to those working outside the sector whose average and median hourly wages were $12.27 and $12.50, respectively.

In general, this study documents some initial results as far as work in the sector and benefits of work in the sector are concerned. However, given that SEDLP is a multi-sector study, it was not designed to and does not produce conclusive results on these issues. In fact, this is an area that merits further research for which this study raises several important questions for the sectoral program practitioners, such as: What are reasonable outcomes expectations regarding participants' work in the sector over time? What can be done to improve wage mobility within industries to encourage participants to stay within the sector? Could sector programs form strategic alliances or develop other initiatives to help facilitate career ladders that cross sectors? The issue of wage progression is especially important for training programs that operate in low-wage sectors. Other questions that this study prompts include: To what extent does wage growth for jobs inside and outside the sector vary over time? What specific sector attributes affect the decision of participants to pursue employment inside and outside sectors for which they receive training?

JOB SATISFACTION AND JOB QUALITY

Key Findings on Job Satisfaction and Job Quality

- Eighty-two percent of respondents reported that they were satisfied with the quality of the main jobs they held during the second year after training.
- Seventy-eight percent of the main jobs that participants held during the first and second years after training provided access to health insurance, as compared to 50 percent prior to training.
- Seventy-seven percent of the main jobs of respondents during the second year after training provided paid vacation as compared to 73 percent of jobs during the year after training and 44 percent prior to training.
- Sixty-four percent of the main jobs of respondents during the second year after training provided paid sick leave as compared to 62 percent of jobs during the year after training and 32 percent prior to training.
- Fifty-nine percent of the main jobs of respondents during the second year after training provided pensions other than Social Security as compared to 56 percent of jobs during the year after training and 27 percent prior to training.

Survey findings two years after training completion show that job satisfaction remained high for working respondents and employee benefits packages remained much improved compared to the baseline year. In fact, the quality of jobs participants held during the second year following training was not only drastically superior to the jobs participants held prior to enrollment in the training programs, but also stood out when compared to jobs that average working Americans hold on a national level.

Survey participants reported high levels of satisfaction with the jobs they held during the two years following training. In the one-year follow-up interview of survey participants, 88 percent of respondents reported that they were satisfied with the main jobs they held during the first year after training. In the second year following training, the proportion of respondents satisfied with their main jobs was 82 percent (**Figure 8**). Although job satisfaction declined slightly in the second year, participants generally remained highly satisfied with their jobs following training. In the two-year follow-up interview of survey participants, 87 percent of respondents said that they were satisfied with their level of responsibility at their main jobs, 85 percent were satisfied with the flexibility that their jobs offered, enabling them to attend to personal or family needs and emergencies, and 85 percent were satisfied with their work schedules. Eighty-one percent reported satisfaction with the way they were treated by their bosses or supervisors and 85 percent reported satisfaction with the way they were treated by their coworkers.

A key criterion for high quality jobs is the benefits package they offer their workers, especially access to health insurance, vacation and sick pay, and retirement benefits. Survey results show a significant improvement in the quality of the jobs that respondents held during the two years after training compared with the year before training began. In the second

FIGURE 8: Job Satisfaction

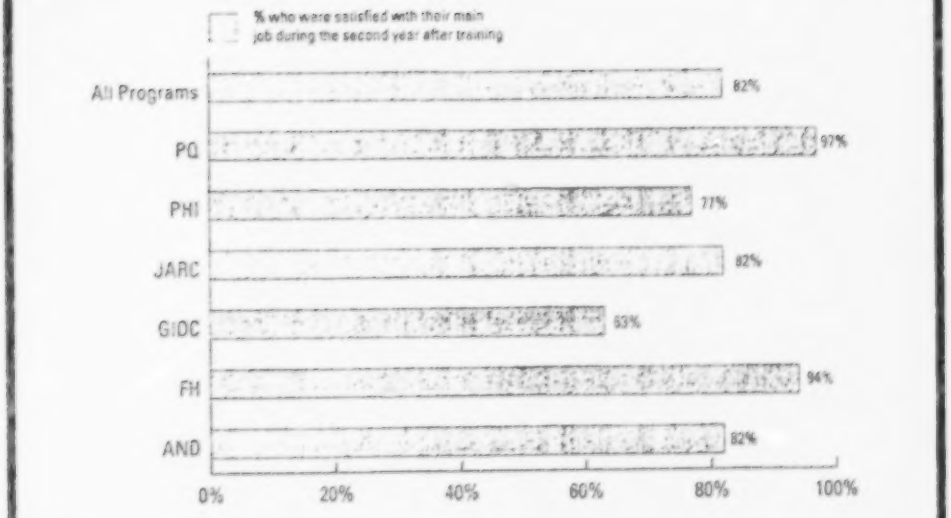
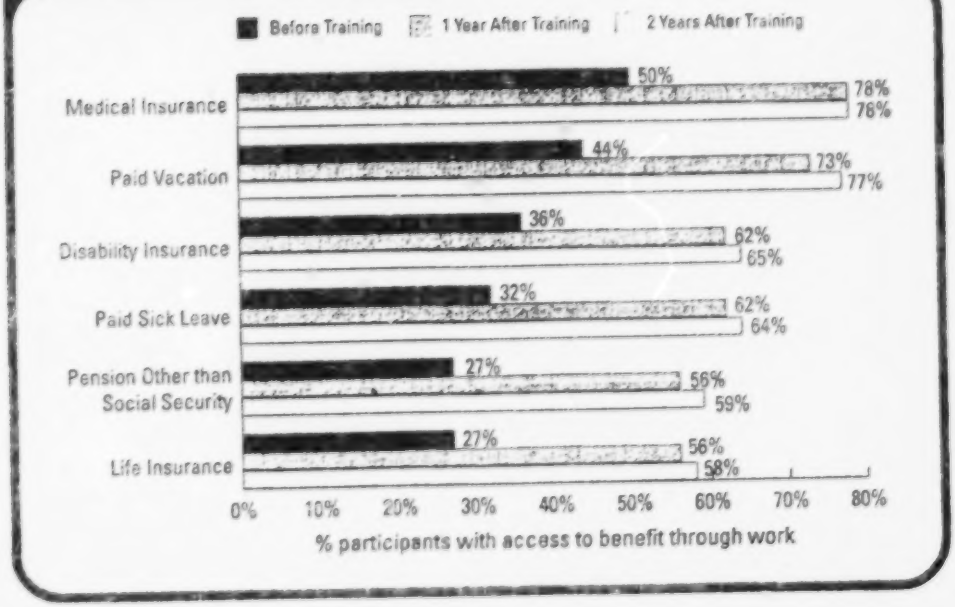


FIGURE 9: Job Quality



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year, a greater percentage of respondents had access to different benefits through their main jobs compared to the year before they started training. An important finding with regard to job quality is the fact that participants did not experience any backsliding where job benefits were concerned and in fact, continued to experience some improvement in this area.

In the second year following training, 78 percent of respondents had access to health insurance through their main jobs, whereas 50 percent of respondents had access to health insurance through their main jobs before training started (**Figure 9**). By way of comparison, in 1998, 62.9 percent of all private-sector workers had employer-provided health insurance, but among the bottom fifth, only 29.6 percent had employer-provided health insurance.[46] Moreover, 49.2 percent of private-sector workers in America had employer-provided pension plans in 1999.[47] For the bottom fifth, however, the rate was only 17.9 percent.[48] Thus, the quality of jobs held by sectoral program trainees is high compared to what jobs in general offer working America.

Health Insurance

While many jobs that participants held after training provided access to health insurance, not all participants actually used this benefit. Roughly three out of four survey participants reported having health insurance at each wave of the survey. These figures show that the percentage of respondents with health insurance did not really increase over time and that for a quarter of participants, lack of health insurance continues to be a concern.

Table 8: Respondents with Health Insurance

Health insurance?	*During the 12 months before Wave 1*	*At Wave 2*	*At Wave 3*
Yes	546 (75%)	421 (78%)	284 (77%)
No	186 (25%)	121 (22%)	82 (22%)
Don't know	0 (0%)	0 (0%)	4 (1%)
Refused	0 (0%)	1 (0.2%)	1 (0.3%)
Total Number of Respondents	732 (100%)	543 (100%)	371 (100%)

Compared to the baseline survey, the source of health insurance coverage for participants has changed over time. In follow-up surveys, a higher percentage of respondents who reported having health insurance cited their jobs as the main source of that coverage. At the third wave, 65 percent of participants with health insurance reported that

[46] Mishel, Lawrence, Jared Bernstein, and John Schmitt, *The State of Working America 2000-01*. (Ithaca, NY: Cornell University Press, 2001), 6.

[47] Mishel, et al., *State*.

[48] Mishel, et al., *State*.

Table 9: Main Source of Health Insurance Coverage for Respondents

Main source of health insurance coverage for respondents	*Wave 1*	*Wave 2*	*Wave 3*
Union	N/A	32 (8%)	19 (7%)
Job	208 (38%)	222 (53%)	184 (65%)
Government (e.g., Medicaid, Medicare	211 (39%)	104 (25%)	39 (14%)
Spouse's job	43 (8%)	36 (9%)	20 (7%)
Policy purchased by respondent	22 (4%)	11 (3%)	16 (6%)
Other	60 (11%)	16 (4%)	6 (2%)
Total Number of Respondents	544 (100%)	121 (100%)	284 (100%)

their insurance is provided through their jobs. The proportions reporting employer-provided health coverage at Wave 2 and at baseline were 53 percent and 38 percent, respectively. In addition, there was a steady decline in the percentage of participants who were covered through government-sponsored plans. At Wave 3, only 14 percent of participants with health insurance reported they were insured through a government-sponsored plan, as opposed to 25 percent at Wave 2 and 39 percent at baseline.

PARTICIPANTS' TRAINING EXPERIENCE

Key Findings about Respondents' Training Experience and Program Participation

- Eighty-two percent of all respondents said that they feel or believe that their future jobs, employment, or career prospects are better today because of their participation in a sectoral training program.
- Seventy-eight percent of respondents reported that the technical skills provided through their programs were useful to them on the job.
- Seventy-eight percent of respondents reported that the communications skills (with supervisors or coworkers) they learned through the programs were useful to them on the job.
- Fifty-nine percent of respondents interviewed in the last wave of the survey reported having at least one contact with their programs after training ended.
- Twenty-nine percent of respondents reported having received some assistance from their programs after graduating or leaving. Among them, 81 percent reported that they were satisfied with the services received from the programs.

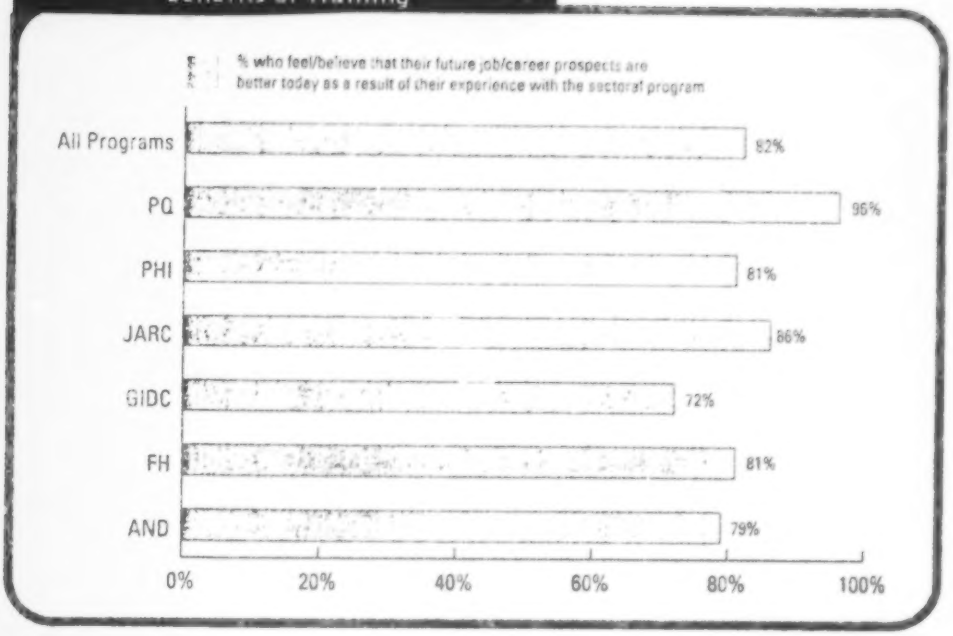
One of the highlights of the survey findings two years after participants left the training programs is that a significant majority of respondents reported that they feel or believe that their future jobs, employment, or career prospects are better today because of their experiences with the sectoral training programs. Such a positive assessment of the impact of training on the lives and career prospects of trainees by the participants themselves underlines the exceptional quality of the sectoral training programs in this study. Many participants continued to use the various skills they learned at the programs on their jobs, and a few respondents sought further follow-up services from the programs and reported that they were satisfied with the services they received.

Participants' Assessment of the Impact of the Sectoral Training Program

Eighty-two percent of respondents interviewed in the last wave of the survey (305 respondents) reported that they feel that their jobs and career prospects are much improved as a result of their participation in the training programs. **Figure 10** shows the responses of participants to this question on a program-by-program basis. A large proportion of participants of all training programs had very positive assessments of their experience in the sectoral programs. Responses ranged from 72 percent for GIDC participants to 96 percent for Project QUEST trainees. Given that this assessment comes two years after the participants left the program, allowing trainees to reflect on their experiences both in the training program and in the job market, makes a compelling case for the value of the training that programs have offered to their enrollees.

A high proportion of trainees continued to find the hard and soft skills they learned at the training programs useful to them in the job market. More than two-thirds (78 percent

FIGURE 10. Participants' Perceptions of Benefits of Training



or 289 respondents) of respondents reported that the technical skills that they learned at the programs were useful to them on the job. Another 78 percent of trainees (288 respondents) reported that the communications skills (with supervisors or coworkers) they learned at the programs were useful to them on the job. Strengthened by respondents' training program assessments in the previous wave of the survey, and reflected in respondents' comments concerning their satisfaction with the main jobs they held during the second year after training, these findings indicate that sectoral programs have been effective in integrating both hard and soft skills training in their programs and that participants really benefit from the type of training that addresses both sets of needs.

Post Training Experience of Participants with the Sectoral Programs

More than half of respondents in the last wave of the survey reported having had at least one contact with their programs since leaving (59 percent of 219 respondents). Among them, 21 percent (46 respondents) had only one contact, 49 percent (107 respondents) had between two and five contacts, and 30 percent (66 respondents) reported having had more than five contacts. Figure 11 shows the percentage of participants who reported having some program contact(s) for each training program in the study.

Twenty-nine percent of respondents in the two-year follow-up survey (109 respondents) reported having received some assistance from their programs since graduating or leaving **(Figure 12).** The proportion of participants who received follow-up assistance from the programs ranged from 19 percent in the case of Project QUEST trainees to 37 percent for Focus:HOPE respondents. The types of follow-up services that participants

FIGURE 11: Post-Training Contacts

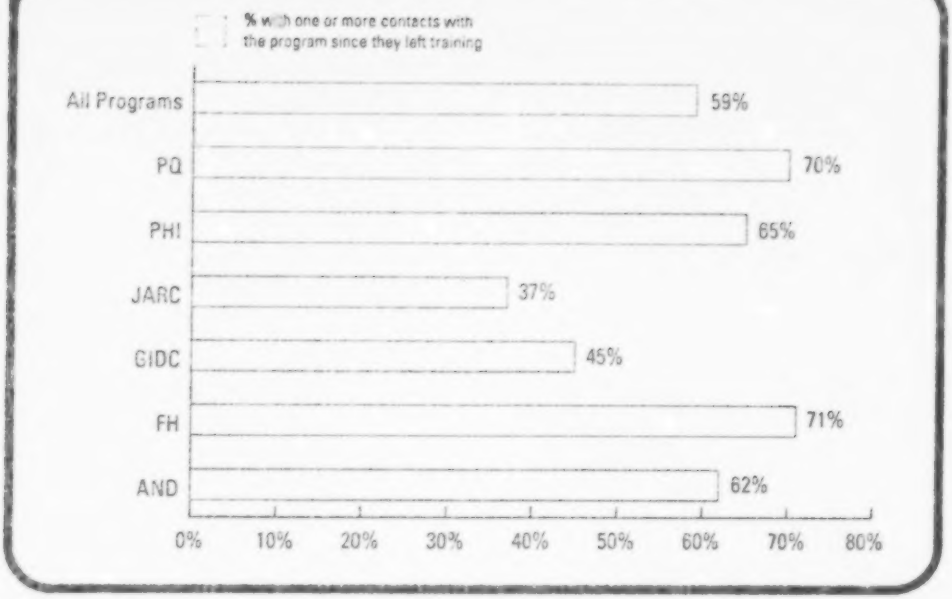
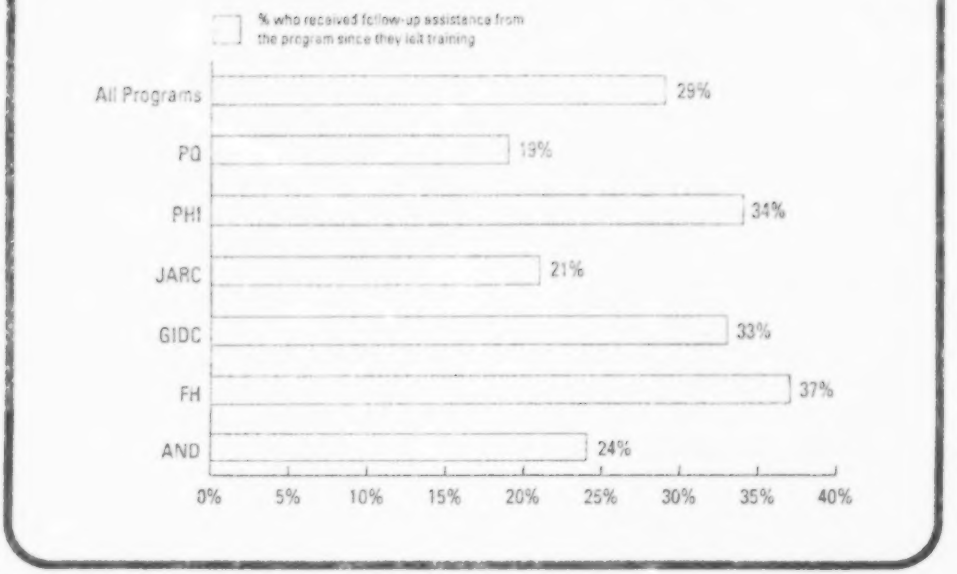


FIGURE 12: Post-Training Assistance



received included job recommendations, job counseling or assistance in resolving on-the-job problems or issues, referral to job clubs and assistance in writing resumes and completing job applications. More specifically:

- Fifty-three percent (58 respondents) said that program staff contacted potential employers to recommend them;
- Fifty percent (54 respondents) said that program staff helped them in writing resumes;
- Forty-five percent (49 respondents) said that program staff provided them with job counseling;
- Forty-four percent (48 respondents) said that program staff assisted them in completing job applications;
- Forty-one percent (45 respondents) said that program staff helped them in resolving problems on the job;
- Twenty percent (22 respondents) said that program staff referred them to job clubs;
- Nineteen percent (21 respondents) said that program staff referred them to other agencies (e.g., child care or transportation); and
- Nineteen percent (21 respondents) said that they received other kinds of follow-up services from the programs.

Among those who received some assistance from their programs since graduating or leaving, 81 percent (88 respondents) reported that they were satisfied with the follow-up services they received from the programs.

Follow-up services are generally provided to program graduates who seek them. Although the capacity to provide these services is limited for most programs, program staff are willing to do what they can when participants request assistance. Specifically, at the time of the baseline survey, none of the participating sectoral programs had a defined and funded set of services providing follow-up support to participants after they left the program and were placed in jobs. In order to be more proactive in offering follow-up services, programs need additional resources dedicated to this purpose. Thus, given the lack of resources and limited focus on follow-up services among participating programs, the degree to which they have been able to provide helpful follow-up support is somewhat surprising.

Education Update

In the two years following training completion, many participants said that their experiences with the sectoral training programs encouraged them to pursue further training and education. Out of all survey respondents, 79% of participants (294 respondents) said that their experiences with the sectoral training programs encouraged or motivated them to think about taking additional courses. More specifically, 32 percent of respondents (117 respondents) reported having enrolled in other training or education courses during the second year following training.

Table 10: Enrollment in Training/Education Courses

Have you enrolled in any training or education courses of any type in the past year?							
	AND	FH	GIDC	JARC	PHI	PQ	All Pgms.
Yes	28%	49%	29%	33%	14%	39%	32%
No. of Respondents	8	34	24	14	11	26	117

- Fifty-two percent of respondents (61 respondents) had enrolled in college. Among them, 27 were Focus:HOPE respondents and 13 were participants from Project QUEST.
- Thirty-seven percent of respondents (43 respondents) had enrolled in training courses offered at their jobs or by their unions. Among them, 17 respondents were from Focus:HOPE and 15 were Project QUEST respondents.
- Twenty-eight percent of respondents (33 respondents) had enrolled in other vocational/training programs. Among them, 10 were Focus:HOPE participants.
- Thirteen percent of respondents (15 respondents) had enrolled in ESL (English as a Second Language) training. These were mostly GIDC respondents (10 respondents).
- Thirteen percent of respondents (15 respondents) had enrolled in another class at the sectoral training program. More than half of these participants (nine respondents) were from GIDC and five respondents were from Focus:HOPE.
- Ten percent of respondents (12 respondents) had enrolled in some other training or educational programs.
- Eight percent of respondents (9 respondents) had enrolled in GED classes. Among them, four respondents were PHI participants and four were GIDC participants.

In addition, 75 percent of all respondents (279 respondents) said that they were planning to enroll in other training or education courses in the future.

CONCLUSION

The SEDLP findings support the conclusion that industry-based workforce development programs hold great potential to help the working poor and unemployed access and maintain employment and move up the economic ladder. Participant outcomes documented two years following participation in the training programs reinforce the extremely positive outcomes that were reported one year earlier. Trainees continued to benefit from their experiences in the training programs, advancing in the labor market, experiencing wage mobility, working more hours at their jobs and, ultimately, improving their earnings steadily over time. These gains were large enough to substantially outweigh the fruits of a period of economic growth for the economy and general rises in wages and prices. Research findings on the labor market experiences of these trainees combined with their personal assessments of the effectiveness of the training programs in helping them advance in their lives and careers, make a compelling case for attributing at least part of the participants' success to the effectiveness of the sectoral employment training. Findings show that training was, indeed, effective in assisting trainees to develop careers, experience upward income mobility and attain stable employment.

The findings also reveal that, as with any other strategy, industry-based workforce development is not a panacea. Two years after training, many participants had employer-provided health insurance, and the percentage receiving Medicaid insurance was down sharply, yet roughly one-quarter of the sample — the same proportion as at baseline — was without health insurance. While this level of success in accessing employer-provided benefits is a great improvement over that seen generally among low-income populations, it nonetheless leaves a large proportion without health coverage. Furthermore, health issues were reported as a principle reason for spells of unemployment by a significant percentage of those reporting unemployment. Given this situation, initiatives that effectively address health insurance and care issues could well complement the work of sector programs and have a positive impact on labor market participation among low-income individuals.

Participants made great strides in their careers during the course of this study, but two years is too short a time for all participants to achieve their job goals. By the end of two years, the majority of participants had personal earnings that would lift them and their families above the poverty line, giving many participants a good start on the way to self-sufficiency. On the other hand, almost half of all participants did not achieve this level of success. For many, the road out of poverty will take more than a couple of years, and the need for public supports such as Medicare, food stamps, earned income tax credits, housing subsidies, and other will continue. However, it is clear that by helping individuals to develop or enhance skills that employers need, industry-based workforce development programs can play a valuable role in helping people move out of poverty and toward self-sufficiency.

TECHNICAL NOTE: COMPARISON OF RESPONDENT CHARACTERISTICS OVER THE SURVEY PERIOD*

All Survey Respondents

Of the 732 respondents who were interviewed at baseline, 543 or 74 percent completed the survey that was administered a year later and 371 respondents or 51 percent completed the survey that was administered two years later. The response rate to the two-year follow-up survey ranged from 32 percent for AND participants to 61 percent for GIDC respondents. Among all survey respondents, 332 (45%) completed all three waves of the survey.

Table 1: Survey Respondents

Program	Wave 1 (Baseline)	Wave 2 (1 Year Follow-up)	Wave 3 (2 Year Follow-up)
Asian Neighborhood Design (AND)	91 (100%)	61 (67%)	29 (32%)
Focus:HOPE (FH)	144 (100%)	101 (70%)	70 (49%)
Garment Industry Development Corporation (GIDC)	136 (100%)	110 (81%)	83 (61%)
Jane Addams Resource Corporation (JARC)	100 (100%)	71 (71%)	43 (43%)
Paraprofessional Healthcare Institute (PHI)	146 (100%)	114 (78%)	79 (54%)
Project QUEST (PQ)	115 (100%)	86 (75%)	67 (58%)
Total Number of Respondents	732 (100%)	543 (74%)	371 (51%)

The characteristics of survey respondents who were interviewed at baseline and those who completed the one-year and two-year follow-up surveys were compared on a number of indicators collected in the Wave 1 survey. These indicators include:

- Gender
- Race
- Age
- Education Level
- Living with a Spouse or Partner
- Number of Children
- Percentage of Incumbent Workers in the Sample
- Barriers to Employment
- Employment Status
- Annual Personal Earnings of Respondents

*In this section, we refer to the baseline survey, conducted two months prior to training completion, as Wave 1, the survey conducted one year following training completion as Wave 2, and the survey conducted two years following training completion as Wave 3.

Results of the comparison of Wave 1 and Wave 2 respondents showed that the two groups were very similar in all respects.[50] This suggests that respondents interviewed in the Wave 2 survey represent the original group quite well and that over time changes in this group's employment and financial situations to a large extent reflect the changes that all participants in the Wave 1 survey are likely to have experienced. Comparison of the Wave 1 and Wave 3 respondents show that even though in most respects the two samples are similar, there are some differences between the two groups (**Figure 13**). Compared to all respondents interviewed at baseline, Wave 3 respondents included a smaller proportion of men and a smaller proportion of respondents in the younger age groups (under than 29 years of age). This is likely the result of the higher attrition rate among AND participants and to a lesser extent Focus:HOPE respondents who are generally young and male, and the relatively higher response rate for GIDC participants who are somewhat older. In addition, a smaller proportion of Wave 3 respondents had education barriers and a slightly higher proportion of them had language barriers compared to respondents in the first wave.

Like the baseline sample participants, the majority of Wave 3 respondents consisted of women. However, sample attrition among male respondents was somewhat higher than for women. As a result, the proportion of women among the Wave 3 respondents is higher than what it was in the first wave of the survey. The racial and ethnic composition of Wave 3 sample members closely matches that of Wave 1 respondents, even though there is a slightly smaller proportion of African-Americans, and a slightly larger proportion of Hispanics and other minorities among the Wave 3 respondents.

On average, the highest grade completed by respondents in both Wave 1 and Wave 3 surveys was 12.

Table 2: Education Level of Participants

Highest Grade Completed At Wave 1	*SEDLP Sample (Wave 1)*	*SEDLP Sample (Wave 2)*	*SEDLP Sample (Wave 3)*
Below Grade 12	35%	33%	29%
Grade 12	33%	34%	33%
Above Grade 12	32%	34%	38%
Average Grade	12	12	12

Among Wave 3 survey respondents, roughly the same percentage were living with a spouse or partner as in Wave 1. In terms of household composition, findings show that the average number of children living in the households and the average number of household members at the time of the baseline interview are almost identical for Wave 1 and Wave 3 respondents. A slightly smaller proportion of Wave 3 participants, however, consists of participants who did not live with children in their households at Wave 1.

Incumbent workers made up 23 percent of the overall sample in Wave 1 and Wave 2 and 24 percent of the sample in Wave 3.

[50] For a detailed discussion of the comparison of Wave 2 and Wave 1 respondents, please refer to the technical note in SEDLP Research Report No. 2.

FIGURE 13: Respondent Characteristics: Baseline, Year One and Year Two

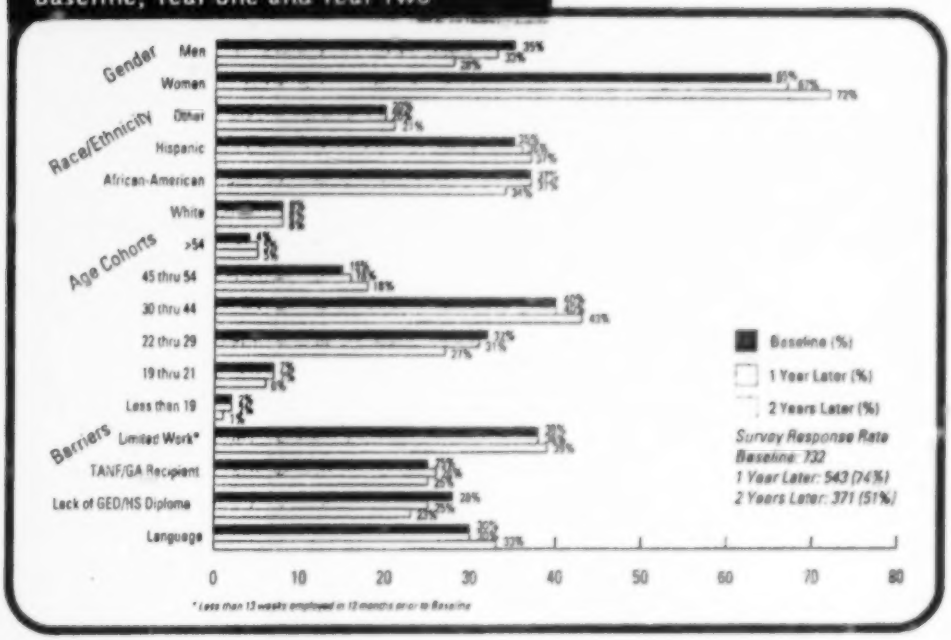


Table 3: Respondents' Household Composition

Lived with a Spouse or Partner in Wave 1	*SEDLP Sample (Wave 1)*	*SEDLP Sample (Wave 2)*	*SEDLP Sample (Wave 3)*
Yes	38%	39%	40%
No	62%	61%	60%
Number of Children at Wave 1			
0	35%	32%	29%
1	25%	27%	30%
2-3	34%	35%	35%
More than 3	6%	6%	7%
Mean	1.3	1.4	1.4
Number of People in Household at Wave 1			
1	8%	8%	7%
2	18%	18%	18%
3-4	53%	52%	55%
More than 4	22%	22%	20%
Mean	3.5	3.6	3.5

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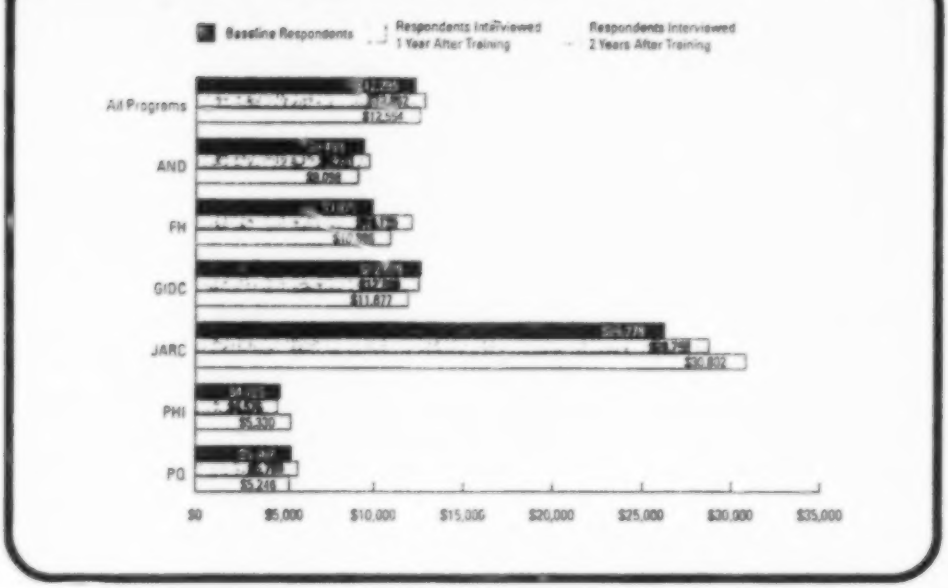
FIGURE 14: Average Participant Earnings Before Training



The proportion of sample members who were on public assistance at the start of training or who worked fewer than 13 weeks during the year before training was almost the same for Wave 1 and Wave 3 respondents. However, the Wave 3 sample had a somewhat smaller proportion of participants who faced education barriers and a somewhat larger proportion of participants with language barriers.

The employment status of Wave 1 and Wave 3 respondents during the year before training started is comparable across both groups.

Table 4: Respondents' Employment During the Past 12 Months

Employment Status of Respondents in the Past 12 months (Wave 1)	*SEDLP Sample (Wave 1) 732 Respondents*	*SEDLP Sample (Wave 2) 543 Respondents*	*SEDLP Sample (Wave 3) 371 Respondents*
Employed by Someone Else	66%	64%	66%
Self-Employed	4%	4%	4%
Both Employed & Self-Employed	4%	4%	4%
Unemployed	26%	27%	27%

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The average annual personal earnings of participants who worked during the year prior to Wave 1 interviews are comparable for Wave 1 and Wave 3 respondents (**Figure 14**). The difference in the average annual earnings of these two groups is only $259. The average annual earnings of Wave 3 respondents who worked during the year before the baseline survey is $259 more than the average annual earnings of all baseline respondents who worked during the year before the baseline survey. Earnings are also comparable on a program-by-program basis except in the case of JARC respondents. A higher percentage of workers with relatively higher pay completed the Wave 3 interviews.

One concern about Wave 1 respondents who were not interviewed in Wave 3 is whether or not the majority of them are made up of training program dropouts. Findings from the data collected immediately after the training completion dates show that among Wave 1 respondents who were not interviewed in the third wave of the survey (361 Wave 1 respondents), 67 percent (242 respondents) had completed training according to the anticipated schedule.[31] Even though the training completion rate for Wave 3 respondents was somewhat higher than the completion rate for non-respondents, Wave 3 non-respondents are *not* mainly made up of dropouts from the training programs.

Table 5: Program Completion According to the Anticipated Schedule

Did the Participant Complete the Training Course According to the Anticipated Schedule?	*Wave 1 Respondents not Interviewed in Wave 2*	*Wave 1 Respondents Interviewed in Wave 2*	*Wave 1 Respondents not Interviewed in Wave 3*	*Wave 1 Respondents Interviewed in Wave 3*	*Wave 1 Respondents*
Yes	64%	75%	67%	77%	72%
No	35%	24%	32%	22%	27%
Missing	1%	1%	1%	1%	1%
No. of Respondents	189	543	361	371	732

Unemployed and Underemployed (Non-Incumbent) Survey Respondents

In this section the characteristics of unemployed and underemployed (or non-incumbent) respondents across the three waves of the survey are discussed. Among the 563 unemployed or underemployed workers who completed the baseline survey, 282 (50 percent) completed the Wave 3 survey and 253 (45 percent) completed all three waves of the survey.

Unemployed and underemployed respondents consistently made up just over two-thirds of the sample in all three waves of the survey.

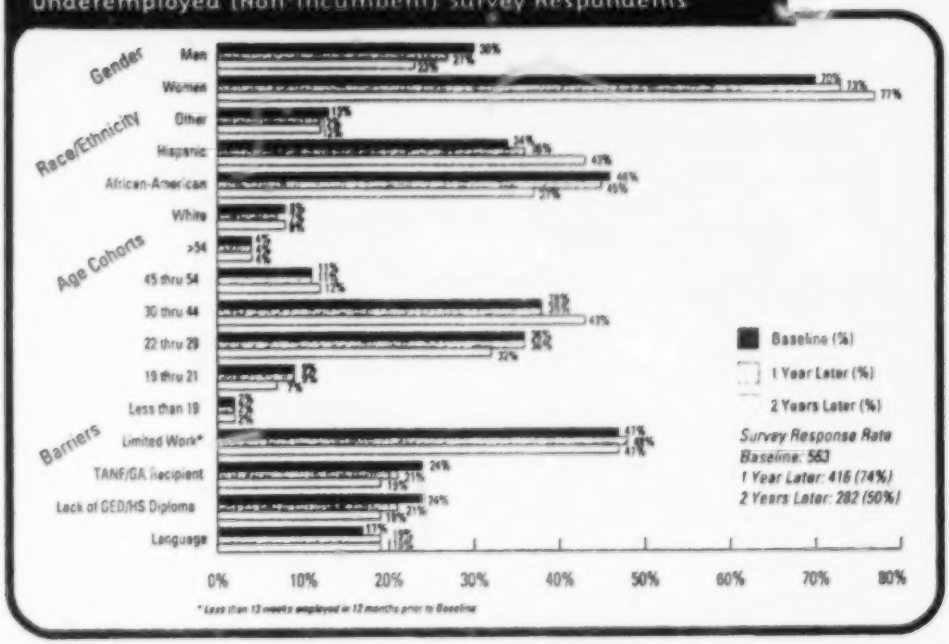
[31] Information on training completion for both respondents and non-respondents are from the Post Training/Placement Tools (PTPTs) which were completed within 90 days after anticipated training completion dates.

Table 6: Survey Participation — Unemployed and Underemployed Respondents

Non-Incumbent Workers	*SEDLP Sample (Wave 1)*	*SEDLP Sample (Wave 2)*	*SEDLP Sample (Wave 3)*
Non-Incumbent Workers as a % of Respondents in Each Wave of the Survey	77%	77%	76%
Total Number of Respondents	563	416	282

The differences in the profile of non-incumbent Wave 3 respondents compared to that of Wave 1 respondents closely follow the differences detected for the sample as whole (**Figure 15**). A higher proportion of male respondents dropped out of the survey in Wave 3. Whereas in the first wave of the survey 30 percent of the sample were made up of men, in the last wave of the survey, 23 percent of the sample members were men. The racial and ethnic composition of the Wave 3 respondents also changed from Wave 1 to Wave 3. There was a decline in the percentage of African-American respondents (from 46 percent to 37 percent) and an increase in the percentage of Hispanic sample members (from 34 percent to 43 percent). Sample attrition was also higher for sample members in the 19 to 29 age group.

FIGURE 15: Respondent Characteristics — Unemployed and Underemployed (Non-Incumbent) Survey Respondents



Household composition remained relatively consistent except for a small drop in the proportion of respondents with no children in their households.

Table 7: Respondents' Household Composition — Unemployed and Underemployed Respondents

Lived with a Spouse or Partner in Wave 1	*SEDLP Sample (Wave 1)*	*SEDLP Sample (Wave 2)*	*SEDLP Sample (Wave 3)*
Yes	27%	27%	28%
No	73%	73%	72%
Number of Children at Wave 1			
0	37%	34%	32%
1	26%	27%	30%
2-3	31%	32%	32%
More than 3	7%	7%	6%
Mean	1.3	1.3	1.4
Number of People in Household at Wave 1			
1	9%	8%	7%
2	20%	20%	20%
3-4	51%	51%	54%
More than 4	21%	21%	19%
Mean	3.6	3.5	3.5

A relatively smaller percentage of non-incumbent participants in the Wave 3 sample had education barriers and a slightly larger proportion of respondents had language barriers.

Employment status of respondents before training started is roughly the same for Wave 1 and Wave 3 respondents in the non-incumbent sub-sample.

Table 8: Respondents' Employment Status During the Past 12 Months — Unemployed and Underemployed Respondents

Employment Status of Respondents in the Past 12 Months (Wave 1)	*SEDLP Sample (Wave 1) 563 Respondents*	*SEDLP Sample (Wave 2) 416 Respondents*	*SEDLP Sample (Wave 3) 282 Respondents*
Employed by Someone Else	58%	56%	59%
Self-Employed	5%	6%	5%
Both Employed & Self-Employed	4%	4%	3%
Unemployed	33%	35%	33%

Even though the average annual earnings of employed respondents during the year before training began is not very different for baseline respondents and those who completed the last wave of the survey, there are some differences in the earnings of respondents on a program level. Among JARC participants, a higher percentage of respondents with higher earnings completed the Wave 3 survey. There is also some difference in the annual earnings of Focus:HOPE and GIDC respondents, although these differences are not nearly to the same extent as those of JARC sample members.

Table 9: Average Annual Earnings of Employed Respondents at Wave 1 — Unemployed and Underemployed Sample

Program	Wave 1	Wave 2	Wave 3
Asian Neighborhood Design (AND)	$9,433	$9,731	$9,098
Focus:HOPE (FH)	$9,925	$10,125	$10,886
Garment Industry Development Corporation (GIDC)	$8,684	$9,183	$9,682
Jane Addams Resource Corporation (JARC)	$9,792	$13,830	$15,753
Paraprofessional Healthcare Institute (PHI)	$4,735	$4,576	$5,330
Project QUEST (PQ)	$5,367	$5,750	$5,246
All Programs	$7,895	$8,156	$8,321

In terms of whether or not respondents and non-respondents in the follow-up waves of the survey are made up of training graduates and dropouts respectively, findings show that the proportion of non-graduates among non-respondents is not alarming.

As with the overall sample, the relative decline in the number of AND respondents who participated in the last wave of the SEDLP survey accounts for most of the distinctions between the profiles of Wave 1 and Wave 3 unemployed and underemployed respondents. The other main difference in the two samples is the higher percentage of JARC participants with better pay who completed the Wave 3 survey.

Table 10: Program Completion According to the Anticipated Schedule — Unemployed and Underemployed Respondents

Did the Participant Complete the Training Course According to the Anticipated Schedule?	*Wave 1 Respondents not Interviewed in Wave 2*	*Wave 1 Respondents Interviewed in Wave 2*	*Wave 1 Respondents not Interviewed in Wave 3*	*Wave 1 Respondents Interviewed in Wave 3*	*Wave 1 Respondents*
Yes	56%	71%	62%	72%	67%
No	43%	28%	37%	26%	32%
Missing	1%	1%	1%	2%	1%
No. of Respondents	147	416	281	282	563

Incumbent Workers

JARC and GIDC are the two programs that provide training to incumbent workers. This section compares the characteristics of incumbent worker respondents across the three waves of the survey. Among the 169 incumbent workers who completed the baseline survey, 89 (53 percent) completed the Wave 3 survey and 79 (47 percent) completed all three waves of the survey.

The share of incumbent workers in the subgroup in the three waves of the survey remained consistent. Roughly one quarter of respondents in each wave of the survey were incumbent workers.

Table 11: Survey Participation — Incumbent Worker Respondents

Incumbent Workers	*SEDLP Sample (Wave 1)*	*SEDLP Sample (Wave 2)*	*SEDLP Sample (Wave 3)*
Incumbent Workers as a Percent of Respondents in Each Wave of the Survey	23%	23%	24%
Total Number of Respondents	169	127	89

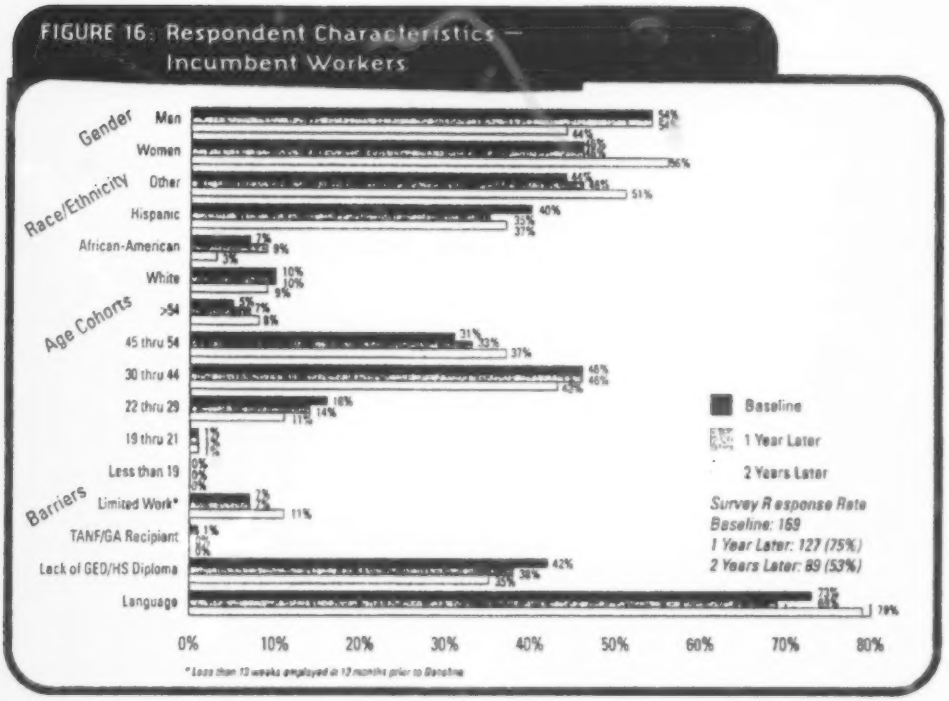
Distinctions between the profiles of incumbent workers who completed the Wave 1 and Wave 3 surveys stem from a relatively stronger participation of GIDC respondents in the third wave of the survey compared to JARC third-wave respondents. As a result, the gender and racial and ethnic composition of the sample is somewhat different from what it was at baseline. There is a higher percentage of women and other minorities (Chinese or Asian) who are generally somewhat older, in the Wave 3 sample. The other main difference in the two samples is the higher percentage of JARC participants with better pay and a higher percentage of GIDC participants with slightly lower earnings who completed the Wave 3 survey. These factors should be accounted for in discussing changes over time in the economic situations of these trainees.

Respondents who completed the two-year follow up survey include a relatively higher percentage of women, members of other minority racial and ethnic groups, and somewhat older respondents compared to those who participated in the first wave of the survey (**Figure 16**).

The household composition of respondents in Wave 3 is generally similar to that of respondents at the baseline except that a somewhat larger percentage of those who completed the last survey were living with a spouse or partner at the time of the first survey and a relatively smaller percentage of them have no children in the household.

In terms of barriers to employment, a larger percentage of Wave 3 respondents have language barriers and limited recent work histories, and a smaller percentage lack GED certificates or high school diplomas.

FIGURE 16: Respondent Characteristics — Incumbent Workers



Wave 3 respondents include a slightly smaller percentage of respondents with wage and salaried jobs only and a slightly larger percentage of respondents who patched earnings from wage and salaried jobs with earnings from self-employment.

Table 12: Respondents' Household Composition — Incumbent Worker Respondents

Lived with a Spouse or Partner in Wave 1	*SEDLP Sample (Wave 1)*	*SEDLP Sample (Wave 2)*	*SEDLP Sample (Wave 3)*
Yes	75%	79%	78%
No	25%	21%	23%
Number of Children at Wave 1			
0	28%	24%	21%
1	23%	25%	29%
2-3	43%	46%	43%
More than 3	6%	6%	7%
Mean	1.4	1.5	1.5
Number of People in Household at Wave 1			
1	5%	6%	6%
2	10%	12%	11%
3-4	59%	58%	58%
More than 4	27%	25%	25%
Mean	3.8	3.7	3.8

Table 13: Respondents' Employment Status During the Past 12 Months — Incumbent Worker Respondents

Employment Status of Respondents in the Past 12 Months (Wave 1)	*SEDLP Sample (Wave 1) 169 Respondents*	*SEDLP Sample (Wave 2) 127 Respondents*	*SEDLP Sample (Wave 3) 282 Respondents*
Employed by Someone Else	92%	91%	89%
Self-Employed	1%	1%	0%
Both Employed & Self-Employed	4%	6%	6%
Unemployed	4%	3%	6%

Even though the average annual earnings of employed respondents during the year before training began is not very different for baseline respondents and those who completed the last wave of the survey, there are some differences in the earnings of respondents on a program level. Among JARC participants, a larger percentage of respondents with higher earnings completed the Wave 3 survey, while the average annual earnings of GIDC respondents who completed the Wave 3 survey are lower compared to those who participated in the baseline survey.

Table 14: Average Annual Earnings of Employed Respondents at Wave 1 — Incumbent Worker Respondents

Program	Wave 1	Wave 2	Wave 3
Garment Industry Development Corporation (GIDC)	$15,489	$15,133	$13,445
Jane Addams Resource Corporation (JARC)	$27,777	$29,907	$32,023
All Programs	$22,421	$23,272	$22,146

Incumbent workers in general had very high training completion rates. Among both respondents and non-respondents to the two-year follow-up survey, a significant majority had completed their training courses according to the anticipated schedule.

[9] Among baseline respondents, 21 percent reported receiving TANF benefits and 5 percent reported receiving State General Assistance during the year before training began.

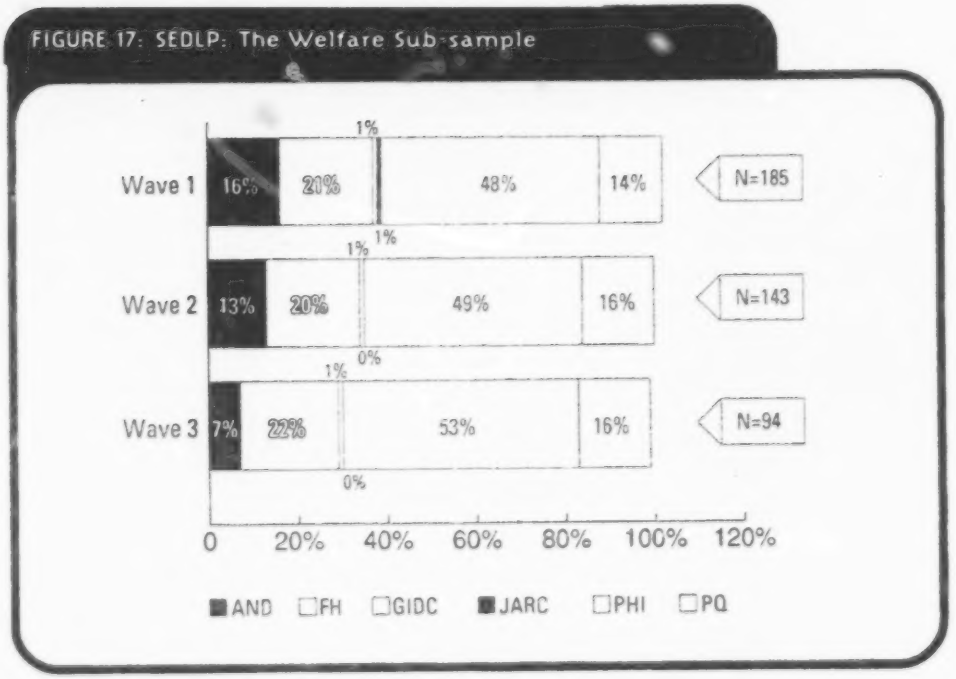
Table 15: Program Completion According to the Anticipated Schedule — Incumbent Worker Respondents

Did the Participant Complete the Training Course According to the Anticipated Schedule?	*Wave 1 Respondents not Interviewed in Wave 2*	*Wave 1 Respondents Interviewed in Wave 2*	*Wave 1 Respondents not Interviewed in Wave 3*	*Wave 1 Respondents Interviewed in Wave 3*	*Wave 1 Respondents*
Yes	91%	88%	86%	91%	89%
No	10%	11%	13%	9%	11%
Missing	0%	1%	1%	0%	1%
No. of Respondents	42	127	80	89	169

The Welfare Sub-sample

The welfare subgroup includes respondents who reported receiving cash welfare through TANF or General Assistance during the year prior to the baseline survey. This sub-sample equaled 25 percent of all respondents (185 respondents) at the first wave of the survey.[52] Almost half of these respondents (48 percent) were PHI participants, 21 percent were Focus:HOPE participants, 16 percent were Asian Neighborhood Design participants and 14 percent were Project QUEST participants (**Figure 17**). This section compares the characteristics of respondents in this subgroup, which was tracked over the three years of the survey, across the three waves of the survey.

FIGURE 17: SEDLP: The Welfare Sub-sample



Among the 185 respondents in this sub-sample, 143 (77 percent) completed the one-year follow-up survey, 94 (51 percent) completed the two-year follow-up survey and 87 (47 percent) completed all three waves of the survey.

The share of the welfare subgroup in the three waves of the survey remained consistent. Roughly one quarter of respondents in each wave of the survey were members of the welfare sub-sample.

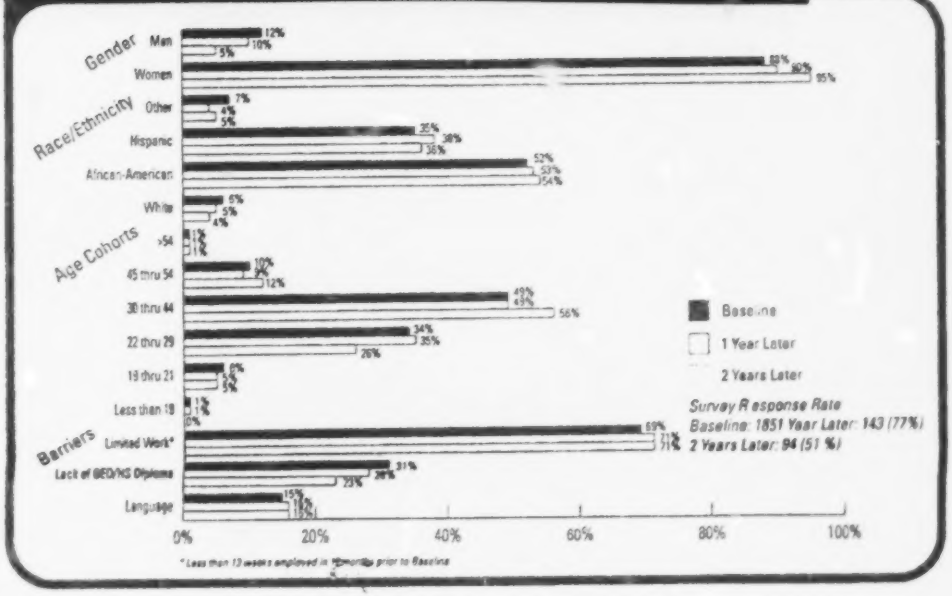
Table 16: Survey Participation — Welfare Sub-sample

Welfare Sub-sample	*SEDLP Sample (Wave 1)*	*SEDLP Sample (Wave 2)*	*SEDLP Sample (Wave 3)*
Welfare Sub-sample as a Percent of Respondents in Each Wave of the Survey	25%	26%	25%
Total Number of Respondents	185	143	94

Key differences between the profile of welfare recipients who completed the Wave 1 and Wave 3 surveys are that Wave 3 participants included a proportionately larger percentage of women as well as participants who were somewhat older and better educated. The main reason for the differences is the lower response rate of AND respondents at the two-year follow-up survey and the fact that PHI respondents comprised a larger share of the sample in Wave 3 compared to Wave 1.

Respondents who completed the two-year follow up survey included a relatively larger percentage of women and participants who were somewhat older compared to those who participated in the first wave of the survey (**Figure 18**).

FIGURE 18: Respondent Characteristics — Welfare Sub-sample



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The household composition of respondents in Wave 3 is generally similar to that of respondents at the baseline.

Table 17: Respondents' Household Composition — Welfare Sub-sample

Lived with a Spouse or Partner in Wave 1	*SEDLP Sample (Wave 1)*	*SEDLP Sample (Wave 2)*	*SEDLP Sample (Wave 3)*
Yes	11%	11%	10%
No	89%	90%	90%
Number of Children at Wave 1			
0	14%	13%	13%
1	27%	28%	29%
2-3	46%	48%	47%
More than 3	14%	11%	12%
Mean	2.0	1.9	1.9
Number of People in Household at Wave 1			
1	5%	6%	5%
2	17%	19%	19%
3-4	52%	52%	52%
More than 4	25%	23%	23%
Mean	3.8	3.7	3.7

Seventy-one percent of respondents at baseline had 12 or fewer years of education. At Wave 3 the proportion of respondents with 12 or fewer years of education dropped to 63 percent. The attrition rate among respondents with lower levels of education was higher compared to those with more than 12 years of education.

Table 18: Education Level of Participants — Welfare Sub-sample

Highest Grade Completed At Wave 1	*SEDLP Sample (Wave 1)*	*SEDLP Sample (Wave 2)*	*SEDLP Sample (Wave 3)*
Below Grade 12	43%	41%	38%
Grade 12	28%	26%	25%
Above Grade 12	29%	34%	37%
Average Grade	11.7	11.8	12.0

In terms of barriers to employment, a slightly larger percentage of Wave 3 respondents had limited recent work experience before they started training and a smaller percentage lacked GED certificates or high school diplomas.

Employment status of respondents during the 12 months before training began is similar for respondents interviewed in all waves of the survey.

Table 19: Respondents' Employment Status During the Past 12 Months — Welfare-Sub-sample

Employment Status of Respondents in the Past 12 Months (Wave 1)	*SEDLP Sample (Wave 1) 185 Respondents*	*SEDLP Sample (Wave 2) 143 Respondents*	*SEDLP Sample (Wave 3) 94 Respondents*
Employed by Someone Else	34%	32%	32%
Self-employed	8%	8%	6%
Both Employed & Self-Employed	4%	4%	5%
Unemployed	55%	55%	56%

The average annual earnings of employed respondents during the year before training began is not very different for baseline respondents and those who completed the second or last wave of the survey. However, there are some differences in the earnings of respondents on a program level. Only a couple of GIDC participants were part of the original welfare sub-sample, so the drop in earnings in Wave 3 is the result of non-participation of one sample member in Wave 3. There is also some difference in the pre-training earnings of the employed respondents from AND, and the drop in the response rate of AND participants in Wave 3 (24%) is the main reason for this difference.

Table 20: Average Annual Earnings of Employed Respondents at Wave 1 — Welfare Sub-sample

Program	Wave 1	Wave 2	Wave 3
Asian Neighborhood Design (AND)	$4,920	$3,937	$1,262
Focus:HOPE (FH)	$5,590	$5,500	$5,531
Garment Industry Development Corporation (GIDC)	$5,618	$5,618	$1,715
Jane Addams Resource Corporation (JARC)	$15,080	N/A	N/A
Paraprofessional Healthcare Institute (PHI)	$3,910	$3,867	$4,183
Project QUEST (PQ)	$3,648	$3,562	$3,707
All Programs	$4,669	$4,289	$4,136

Welfare recipients had lower training completion rates compared to the total of respondents in the survey. Among both respondents and non-respondents to the two-year follow-up survey, however, more than half had completed their training courses according to anticipated schedules.

Table 21: Program Completion According to the Anticipated Schedule — Welfare Sub-sample

Did the Participant Complete the Training Course According to the Anticipated Schedule?	*Wave 1 Respondents not Interviewed in Wave 2*	*Wave 1 Respondents Interviewed in Wave 2*	*Wave 1 Respondents not Interviewed in Wave 3*	*Wave 1 Respondents Interviewed in Wave 3*	*Wave 1 Respondents*
Yes	57%	66%	58%	69%	64%
No	41%	32%	40%	29%	34%
Missing	2%	2%	2%	2%	2%
No. of Respondents	42	143	91	94	185

Additional copies of this report are available from the Economic Opportunities Program (EOP) at the Aspen Institute, and from the EOP Web site. Other SEDLP and related workforce development publications include:

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